UNIDO

United Nations Industrial Development Organization

Distr.
GENERAL

IDB.8/SR.9
12 July 1991

ORIGINAL: ENGLISH

Industrial Development Board

Eighth session

SUMMARY RECORD OF THE 9th MEETING

Held at the Vienna International Centre, Vienna,
on Thursday, 4 July 1991, at 3 p.m.

President: Mr. CONSTENLA (Costa Rica)

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The meeting was called to order at 3.10 p.m.

TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE (IDB.8/28)

1. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that, following the seventh session of the Industrial Development Board, the Secretariat had pursued its efforts with other United Nations bodies and specialized agencies, such as UNDP, UNRWA, UNCTAD, ILO and ITC, to promote and expand technical activities in support of the Palestinian people. Many initiatives had been taken in that regard, as indicated in the Director-General's report to the Board at its current session (IDB.8/28), particularly in respect of the establishment of a marketing centre for industrial products.

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V.91 27055 0769E

Distr.: 18 July 1991

2. The programme had, however, been severely undermined by the Gulf crisis and its consequences. In addition, the prevailing circumstances in the occupied territories continued to hinder UNIDO's plans to develop and implement a number of projects that had been identified and formulated. Close consultation had been maintained on those matters with the representative of Palestine, and it was to be hoped that the situation in the area in question would eventually improve so that the Organization would be able to carry out genuine substantive activities, as desired by the Palestinian people.

3. Mr. AWEIDAH (Observer for Palestine) said that according to the report of the Director-General (IDB.8/28), assistance had come to a virtual standstill during the period under review as a result of the Gulf crisis. His delegation was grateful to UNIDO and to the Member States for the assistance provided to the Palestinian people, particularly since the beginning of the intifada. It was to be hoped that the Organization would be able to proceed unhindered in carrying out its assistance, the need for which had increased considerably owing to the impact of the Gulf crisis on economic and social conditions and the escalation by the occupying Power of its harsh policies, including prolonged curfews, during which the various sectors of the Palestinian national economy had been unable to operate, and the denial of work permits to thousands of Palestinians who worked in the Israeli economy in the absence of employment opportunities in the besieged Palestinian national economy.

4. It was to be hoped that UNIDO would take the initiative of preparing a study on the impact of the Gulf crisis on the Palestinian industrial sector and its assistance needs. His delegation was confident that the establishment of an economic unit on Palestine would fill such a gap. In that connection, he recalled that the Board, in its decision IDB.7/Dec.17, had asked UNIDO to study the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector with the view to including an appropriate provision for that purpose in the programme and budgets for the 1992-1993 biennium.

5. Unfortunately, the report under consideration suggested dropping the whole idea, a proposal to which his delegation was completely opposed. The establishment of such a unit, which would consist of two economists and a secretary, would improve UNIDO's assistance to the Palestinian people. His delegation stressed the need to begin and pursue the process leading to the establishment of that unit and asked the Director-General to report in detail to the next General Conference on the progress made to that end and on the unit's function, personnel and budget.

6. Pending the establishment of such an economic unit, his delegation did not object to the assignation of its functions, on a temporary basis, to two staff members who, it was to be hoped, would be able to visit occupied Palestine to gain firsthand information about the Palestinian industrial sector and to cooperate with the UNDP office in occupied Jerusalem in the provision of technical assistance to the Palestinian people.

7. There was a need for coordination with UNDP, because that was the only United Nations development body operating in occupied Palestine, and it had prepared a portfolio of projects, including industrial ones, some of which might be implemented. There was clearly room for UNIDO if it wished to participate.

8. Owing to absurd Israeli objections, UNIDO had no direct access to occupied Palestine, but UNIDO staff could gain access if they travelled under the UNDP umbrella. Without coordination and access, UNIDO assistance to the Palestinian people would remain limited to activities abroad, and that would have less than the desired optimum benefit.

9. Significant financial and military support had been rushed to Israel during the Gulf war, whereas little assistance had been given to the Palestinian people, despite the fact that the Israeli authorities had killed or wounded several thousand Palestinians since the beginning of the intifada and inflicted considerable damage on the Palestinian national economy. No one had rushed to protect the Palestinian people from Israeli atrocities. Moreover, the Palestinian people had been hitherto deprived of the opportunity to benefit from the United Nations compensatory aid in connection with the Gulf crisis, in spite of their losses arising therefrom.

10. While recognizing the importance of assistance in alleviating the severe impact of Israeli policies and practices on the Palestinian people and its national economy, his delegation stressed that the question of Palestine was a political one that required a just solution based on international legality as reflected in the relevant United Nations resolutions. International legality must not be applied on a selective basis.

11. Mrs. TALLAWY (Egypt) said there had been a shocking economic, social and political deterioration in the situation of the Palestinian people as a result of the policies and practices of the Israeli occupiers in violation of international law. Universities and schools had been closed, curfews imposed and work permits banned. The progress report by the Director-General (IDB.8/28) stated that technical assistance had declined owing to the Gulf crisis, but it did not review such assistance before and after the crisis.

12. Board decision IDB.7/Dec.17 invited the Director-General to study the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector, and he should be asked why that decision had not been followed up. In any case, the absence of such a unit did not prevent the Secretariat from carrying out technical assistance projects for the Palestinian people. At the very least, it could implement the recommendations of the UNIDO Seminar on Prospects for the Palestinian Industrial Sector, held at Vienna in 1989.

13. Mr. ASHRI (Saudi Arabia), supported by Mr. AIT HMID (Morocco), said that the Palestinian people was being prevented from achieving industrial development and UNIDO must provide it with real assistance, with particular reference to industrial projects to improve the plight of the Palestinian children. The Organization must play a more tangible role by establishing an economic unit to monitor and promote the development of the Palestinian industrial sector, a project that would need to be borne in mind at the next General Conference.

14. Mr. SALLOUKH (Observer for Lebanon) said that security was being restored in his country and

Lebanese sovereignty was gradually being extended to a greater proportion of the national territory. His delegation was most appreciative of the efforts made by the United Nations system to help the country in the past. His Government, which was striving to restore conditions in Lebanon to what they had previously been, hoped that technical and material assistance would be provided by international organizations and friendly countries.

15. His delegation appreciated the efforts of UNIDO to provide technical assistance to the Palestinian people. It thought that the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector would help remove some obstacles to UNIDO's work in that regard.

16. Mr. AL-MATOOQ (Iraq), having expressed his support for the statement by the representative of Palestine, said that the progress report by the Director-General (IDB.8/28) stated that UNIDO had been unable to provide as much assistance to the Palestinians as in the past because of the Gulf crisis. However, the real obstacle to such technical assistance must be sought elsewhere, namely, in Israel's attempt to prohibit it from reaching the Palestinian people.

17. The living conditions of the Palestinian people had perceptibly worsened, and that was a reason for increasing assistance. UNIDO must ensure a real presence in the occupied territories, as other international bodies had done, the most effective means being the establishment of a follow-up unit to monitor technical assistance support activities in the occupied territories.

18. Mr. HOSSEIN ZADEH (Islamic Republic of Iran) said that, far from improving, the deplorable plight of the Palestinian people had continued to deteriorate. Palestinians in the occupied territories were being mistreated and persecuted, while the number of Jewish immigrants in the occupied territories was constantly increasing.

19. According to the Director-General's progress report (IDB.8/28), UNIDO had been unable to implement its technical cooperation programme in the area because of the Gulf crisis but, even before the Gulf war, the occupying regime had not permitted UNIDO experts to visit the occupied territories. It had used the crisis in the Persian Gulf region as a pretext to step up the establishment of settlements of Jewish immigrants, which had changed the population structure of the region.

20. The Director-General should begin the study on the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector. An appropriate provision to that effect should be included in the programme and budget for the 1992-1993 biennium.

21. It was also important to expedite the establishment of a Palestinian development and information bank in the occupied territories, including an industrial information bank to promote investments, production and employment and generate income. Such a bank could help UNIDO to identify and implement projects in the area.

22. Governments should be encouraged to bring political pressure to bear to ensure that international technical and economic assistance flowed freely to the occupied territories. Ways and means must be found to support the industrial structure and to replace economic practices imposed by the Zionist regime and the implementation of projects under the control of the occupying authorities must be avoided.

23. His Government, which supported any action to improve the living conditions of the inhabitants of the occupied territories and to render them technical assistance through international organizations, declared its willingness to cooperate with UNIDO to that end.

24. Mr. SUN Jie (China) said that the Palestinian people was facing a variety of difficulties, both old and new, and was in need of increased assistance from the international community. His delegation called upon the Secretariat to take more effective steps to protect human life and financial resources in the occupied territories, with a view to alleviating the plight of the Palestinian people.

25. Mr. GAILI (Sudan) said that a report should be submitted to the fourth session of the General Conference on the progress made on the issue under consideration and on implementation of decision IDB.7/Dec.17. UNIDO must step up the volume of its technical assistance and establish a presence in the occupied territories together with other international bodies. The proposed economic unit must be established to help the Palestinian people rebuild its industry and economy.

26. Mr. KHENE (Algeria), having endorsed the statement by the representative of Palestine, said that UNIDO should spare no effort to alleviate the suffering of the Palestinian people; the situation in the occupied territories was catastrophic. UNIDO must develop an innovative approach to help rehabilitate industry in the occupied territories and his delegation called upon the Member States to demonstrate their support for the Palestinian people by working to enhance, both quantitatively and qualitatively, the Organization's activities in the occupied territories.

27. Mr. AFANASIEV (Union of Soviet Socialist Republics) said that his delegation viewed the activities conducted by UNIDO between August 1990 and April 1991 very positively. They had been marked by a general expansion of the technical assistance programme for Palestine.

28. His delegation supported the Director-General's proposal for a coordination centre within the framework of the programme for the Arab countries in the territorial programmes section, on the understanding that it would not entail any additional financial expenditure. The coordination centre would monitor the development of the Palestinian industrial sector, coordinating UNIDO technical assistance, and it was thus necessary to establish a one- or two-year programme for it, taking due account of the economic and social needs of the Palestinian people.

29. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that the major problem in assisting the Palestinians was the difficulty in obtaining access to the area concerned. The lack of cooperation by the authorities made it hard to plan or implement projects.

30. There had been some follow-up to the 1989 Seminar and consultations had been held with UNCTAD, UNDP and other agencies regarding the establishment of a marketing centre. UNIDO was

able to make use of UNCTAD's data centre and might not need to set up its own. It had been agreed that UNIDO would field a mission, but it had not yet been possible to do so.

31. In the light of the situation in the area and of UNIDO's internal circumstances, it would be very difficult to establish a special unit for the time being, but UNIDO had a focal point in the subprogramme to monitor the development of the Palestinian industrial sector and initiate technical cooperation programmes. The Secretariat was prepared to upgrade the functions of the focal point by establishing, in the office of the Director of the appropriate Division, a focal point to monitor and promote the development of the Palestinian industrial sector. Such a change would have no financial implications for the budget.

32. Mr. MOHAMMED (Nigeria) asked whether any effort had been made to collaborate with the Palestinians spread throughout the world.

33. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that any collaboration with the large and influential Palestinian population in other countries would be a matter to discuss with the representatives of the Palestinian people.

34. The PRESIDENT said that the Board had concluded its consideration of agenda item 9.

PERSONNEL MATTERS:

(a) WOMEN IN THE SECRETARIAT

(b) UNITED NATIONS JOINT STAFF PENSION FUND

(IDB.8/15, 20, 35 and 49)

35. Mr. HABLE-SELASSIE (Director, Personnel Services Division) said that the designation in the Secretariat in 1988 of a high-level coordinator for the improvement of the status of women and the introduction of the plan of action in 1989 had produced some positive results. At the end of 1990, the share of women in the Professional category in the Secretariat had risen to 21 per cent. That positive trend had been maintained in 1991 through external recruitment or internal transition from the General Service to the Professional category. Since January 1991, eleven women had been appointed or were in the process of receiving offers of appointment, representing 37 per cent of the persons recruited since the beginning of 1991. The prospects for reaching the 25 per cent target by 1993 were encouraging.

36. There were two barriers: the cash-flow situation of the Organization and its constraining effect on recruitment and the rate of retirement of the women currently on board. In a worst case scenario, UNIDO might not be able to take on new staff when it lost others.

37. There was no room for complacency. The situation had to be kept under review so that remedial measures could be adopted on a timely basis. The Director-General intended to strengthen the current departmental working groups by setting up a standing committee to support the high-level coordinator and to advise, through the Joint Advisory Committee, on measures and policies concerning promotion and recruitment to supplement the plan of action.

38. Departments would be encouraged to report progress they had made in improving the status of women at the half-yearly implementation review meetings of the Director-General. The Administration was very aware that it had not fully tapped the potential offered by women in the Secretariat. It intended to place them in proper positions to be identified through an effective human resources planning process and to intensify training for women within the limited budget available. The response so far had been very encouraging. This was particularly true of the participation of women in UNIDO's work and the change in attitude brought about by recent workshops on leadership styles and effective management.

39. With reference to agenda item 10 (b), he said that UNIDO, as a member organization of the United Nations Joint Staff Pension Fund, provided its input to the United Nations Joint Staff Pension Board through its Staff Pension Committee, which dealt with all matters relating to retirement and related benefits for UNIDO participants in the Pension Fund. Since its inception in 1986, the Staff Pension Committee, a tripartite body, had held 33 meetings.

40. The current year would be a particularly critical one as the Pension Board had been mandated by the General Assembly to submit recommendations on items affecting the pension adjustment system and the pensionable remuneration of staff in the General Service and other locally recruited categories. The former topic was of particular concern to participants in the Professional and higher categories who had reached the age of 55 by the end of 1990 and accrued at least five years' contributory service. The other equally important item, concerning the pensionable remuneration of the General Service staff, was handled in cooperation with the International Civil Service Commission.

41. The General Conference would be represented at the forthcoming Pension Board meeting in Paris by Mr. Zador, who had been Chairman of the Pension Board for the past two years.

42. There was currently one post vacant on the Staff Pension Committee and the Board had the authority to elect a member to fill the vacant post for the balance of the term, i.e. until 31 December 1991. On that date, the terms of all three groups on the tripartite Committee would expire and the General Conference would be asked to nominate two members and two alternate members to act as its representatives for the 1992/1993 term. The Board was required to recommend candidates for those posts.

43. In connection with document IDB.8/35, he wished to draw the Board's attention to General Assembly resolution 45/241, approving the recommendations of the International Civil Service Commission, and resolution 45/240 on respect for the privileges and immunities of officials of the United Nations and the specialized agencies.

44. He asked the Board to note the amendments made to the UNIDO Staff Rules and the relevant annexes and to approve the same changes in the conditions of service of the Director-General, in line with all the other agencies of the United Nations system.

45. Ms. LAVNICK-WAINSTEAD (President of the UNIDO Staff Council), speaking at the invitation of the President, said that the statement by the UNIDO

staff (IDB.8/49) touched on several issues of crucial importance to staff members, namely the alarming loss in the purchasing power of Professional salaries, the threat to the pensions of both General Service and Profession staff and the growing politicization of UNIDO.

46. It was not a good time for the staff to raise the question of inadequate salaries and uncertain pensions. The Organization's budget was being blocked by the Member States, many of which had defaulted on their financial commitments to UNIDO. Since its establishment as a specialized agency, UNIDO had never been on a sound financial footing. While responsibility lay with both the Member States and the Administration, the staff members were the losers. There had been no reduction in their workload and the proposed restructuring would call for increased efforts by all of them.

47. The members of the Programme and Budget Committee might have had sound reasons for postponing agreement on the budget, but the staff members saw the decision as a petty show of political strength, a basic lack of understanding or a calculated attempt to destabilize the Administration of UNIDO and hence the Organization itself. The implications for the staff were devastating.

48. Anxiety about salaries, pensions and the politicization of UNIDO, coupled with the lack of a budget, hardly made for healthy staff morale. Restructuring would be implemented by a staff that was dispirited and largely demotivated, whereas the exercise called for enthusiasm and superlative effort. It could only succeed in at atmosphere of confidence and trust, where there were career opportunities for all, where staff consultation was an ongoing process and where individuals' interests and competence were taken into account when posts were being filled.

49. The Staff Council would welcome the chance to participate in an open-ended working group, or similar forum, and to comment on the proposed restructuring. For example, there was no clear indication of planning or resources for staff training. Restructuring could also be a perfect opportunity to redress the imbalance in the number of men and women in senior posts.

50. The staff shared Member States' concern that the new UNIDO structure should enhance the speed and quality of assistance to developing countries. If that were achieved, the staff's job satisfaction would know no bounds. However, job satisfaction did not pay the rent or look after people in their in old age and, for many years, the staff had been left in the background while the various Governing Bodies took arbitrary decisions depending on the mood of the moment.

51. Salaries in the United Nations system had stagnated and trailed behind those of virtually every international employer. In the EEC Secretariat, for example, the equivalent of a P-2 earned more than a D-2 in the United Nations. EEC staff also received an automatic annual adjustment equal to inflation at the duty station. United Nations staff had resolved to take strong action and a system-wide strike was not out of the question, if remedial measures were not adopted to restore Professional salaries.

52. If it were not for UNIDO's non-budget status, the Board would have been urged to follow the example of the ITU Governing Council in awarding each Professional staff member a special post allowance to the next higher level. The Board should, none the less, recognize that Professional salaries were inadequate, having lost over 25 per cent of their purchasing power in the last seven years. With regard to pensions, she sought the Board's support for option D, which would give Professionals retiring in high-cost duty stations the same income replacement ratio as their colleagues in New York. Adoption by the General Assembly of option D would also ensure a return to the common system by those organizations which had established supplementary pension schemes.

53. Some of the solutions to the staff's problems lay with other bodies, but some were of concern to the Board itself. The Board had a heavy agenda, but she begged it to take the staff's views seriously.

54. Mr. KRAMER (Netherlands), speaking on behalf of the States members of the European Community, said that the staff of UNIDO had had to face serious financial uncertainties, due partly to exchange rate fluctuations but mainly to Member States failing to meet their obligations. Prolonged discussion and delay in implementing the management review had only added to those uncertainties. Despite job insecurity, the staff continued to strive to achieve UNIDO's objectives and its efforts should not be frustrated by cash-flow problems. The delegations he was representing urged all Member States to pay their assessed contributions on time.

55. Developing countries looked to UNIDO for objective and independent advice and it was essential that the Administration should demonstrate integrity, consistency and fairness in personnel matters.

56. It was regrettable that the current functioning of the United Nations common pension system put UNIDO's personnel at some disadvantage. Some improvements might also need to be considered for the staff in General Services and at the executive head level, but the heart of the problem was the Professional staff pensions. Post adjustments were an effective mechanism to protect Professionals' income against currency fluctuations, but there was no such mechanism for their pensions.

57. As underlined by the United Nations Joint Staff Pension Board in the report on its forty-second special session, the pension adjustment system could be modified to provide greater recognition of cost-of-living differences at locations, taking into account the income replacement concept.

58. The problems facing UNIDO's staff existed not only in the other Vienna-based organizations, but also in other locations, and the delegations he was representing urged the UNJSPB to continue its comprehensive review of the common system in order to find a realistic and satisfactory solution for approval by the General Assembly. The delegations he was representing reiterated their conviction of the validity of the existing system based on a United Nations common pension fund and would strongly oppose any move for UNIDO to take matters into its own hands.

59. The delegations he was representing welcomed the further progress made in UNIDO to increase the number of women in Professional posts in the Secretariat. They were concerned that such progress might not be sustained in 1991, due in

part to budgetary constraints on recruitment. They endorsed the need for Member States to cooperate if the number of women, particularly at decision-making levels, was to increase. Member States had an obligation to propose good women candidates. The number of qualified women candidates on the roster should be increased and qualification should be the criterion for the recruitment of men and women alike.

60. Ms. WIIG (Observer for Norway), speaking on behalf of the Nordic countries, said that she had noted with interest the statement by the President of the UNIDO Staff Council. She believed there was general agreement that more effort was needed to secure the position of women within the UNIDO Secretariat and the report (IDB.8/15) demonstrated the need to keep the matter under review. UNIDO had long lagged behind other United Nations organizations in respect of the representation of women in its Secretariat and, while there had been some modest improvement in the overall representation of women in posts subject to equitable geographical distribution, she had noted with concern that, whereas in 1990 there had been nine women out of a total of 127 staff at the higher, decision-making levels, there were only eight women out of an increased total of 129 in 1991.

61. She also expressed concern that, as a result of expected retirements in the categories of P-5 and above, the representation of women at those levels might drop during the remainder of 1991 to 4.8 per cent. She drew the Board's attention to paragraph 2 of resolution 17, adopted by the Economic and Social Council at its most recent session, calling for an increase in the representation of women at level D-1 and above to 25 per cent by 1995.

62. The Nordic countries reiterated their request to the Director-General that he should make use of any opportunity, including the restructuring of the Secretariat, to recruit women staff members and to develop the careers of women already employed. They also called upon Governments to present more female candidates for vacant posts.

63. Mr. SPROW (United States of America) said his Government took a great interest in the issue of the representation of women in Professional positions throughout the United Nations system, including UNIDO, and strongly supported Board decision IDB.7/Dec.22. His delegation endorsed UNIDO's long-term efforts to train women for high-level positions through management development workshops, and praised the foresight shown in using the medium-term plan for 1992-1997 to project human resource needs. That should give the Organization an early warning system that would be of general benefit to its recruitment efforts and allow it to concentrate on the often difficult task of identifying qualified women with the necessary technical expertise.

64. The fact that women currently accounted for some 21 per cent of all Professional posts in UNIDO was to be welcomed, as was the fact that 38 per cent of the Professional staff subject to geographical distribution recruited in 1990 had been women. Clearly, however, more had to be done if the 1993 target of 25 per cent was met and Member States must put forward qualified women candidates for recruitment.

65. He shared the concerns expressed by the President of the UNIDO Staff Council and noted that the view which the staff held of the position of women in the Secretariat was not as optimistic as that in the document submitted. While the principal victims of UNIDO's failure to make progress with regard to its programme and budget were the recipient States, it was clear that the Organization's staff was also a victim.

66. Mr. BOGNER (Austria) said that, whenever a problem arose between UNIDO's Members and the UNIDO Administration, or within the Organization itself, the first and principal victims were the staff members, without whose devoted efforts UNIDO could not survive for a single day. The fact that the vast majority of representatives faced similar problems in their own working environments as members of their own countries' civil services might make them more aware of the justified needs of their international colleagues.

67. The days when employment in the United Nations system was the best thing that could happen to a person were long since gone, and his delegation deeply sympathized with the arguments presented so convincingly by the President of the UNIDO Staff Council, and fully endorsed her appeal to Member States to take the views and wishes of the Staff Council into account. In particular it supported her request that Member States should give positive consideration to the proposal that option D of the new United Nations Pension Scheme be accepted by the General Assembly.

68. Mr. LAVIÑA (Philippines) said he endorsed the statement made by the President of the UNIDO Staff Council and, on the subject of women in the Secretariat, supported the statements made by the representatives of Norway, on behalf of the Nordic countries, and the United States regarding the achievement of the 25 per cent target. With regard to the United Nations Joint Staff Pension Fund, the Asian Group had already submitted the name of a candidate for the vacant post of member of the UNIDO Staff Pension Committee until 1991. He endorsed the recommendations made by the General Assembly in its resolutions 45/241 and 45/242, including those relating to the higher levels of the Secretariat, and noted that they had already been approved by the International Atomic Energy Agency.

69. He shared the concerns expressed by the President of the UNIDO Staff Council and endorsed most of her observations, including what she had said about Member States blocking the adoption of the budget. In that connection also, he expressed his support for the statements made by the representative of Norway, on behalf of the Nordic countries, and the representative of the United States.

70. Mr. HABLE-SELASSIE (Director, Personnel Services Division) said that a number of valuable suggestions had been made concerning the representation of women in the Secretariat, notably the statement by the representative of Norway on the importance of Member States putting forward female candidates to fill vacant posts, especially at the senior levels, where a decline in representation was expected as a result of anticipated retirements. Of all the job applications received in 1990, only 18 per cent had been from women and that proportion had since fallen to 16 per cent. It was therefore all the more important that Member States should nominate women candidates for Secretariat posts.

71. With regard to the filling of senior posts in the Secretariat, the Organization was undertaking

an exercise to assess its future requirements in terms of staff and skills in order to implement the medium-term plan for 1992-1997. Once that was completed, it should be possible, especially in the context of the envisaged restructuring of the Secretariat, to plan the necessary training and staff development to equip people to assume those higher responsibilities.

72. With regard to pensions, he had noted from the statements by the representative of Austria and the President of the UNIDO Staff Council that option D seemed to be preferred; it was certainly the option that presented the best income replacement opportunities for staff members, but it had to be considered in terms of the costs involved and the need for flexibility during the forthcoming negotiations in Paris.

73. The Administration shared the sentiments expressed by the President of the UNIDO Staff Council and had studied document IDB.8/49 which raised a number of issues relating to Professional salaries, pensions, the General Service salary survey, staff in the Languages Division, Secretariat promotion policy, the post of President of the UNIDO Staff Council and the operation of joint bodies. The Administration had prepared detailed responses, which would be distributed in due course.

74. UNIDO's staff was a most valuable asset, representing as it did the Organization's capital. The cash-flow problems and budgetary constraints, and in particular the delay in adopting the budget, had created an atmosphere of instability which had had an increasingly negative effect on staff morale. There was a growing perception among staff members that, despite their hard work and devotion to the delivery of the Organization's programmes, their efforts were not sufficiently recognized by Member States. Furthermore, the Secretariat's inability to make long-term commitments as far as their work and future contractual status were concerned, filled them with anxiety.

75. The PRESIDENT said that the Board had concluded its consideration of agenda item 10.

INDUSTRIAL DEVELOPMENT COOPERATION AND DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES (IDB.8/32)

76. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that document IDB.8/32 was the Secretariat's response to a request by the United Nations General Assembly, in its resolution 45/196, for recommendations, to be sent to it through the Economic and Social Council, designed to strengthen industrial development cooperation and the diversification and modernization of productive activities in developing countries. Since the request had reached UNIDO in January 1991 only, the Secretariat had had a bare two months in which to draft what was tantamount to an industrial development policy concept for the 1990s for the United Nations.

77. Document IDB.8/32 had been made available to the Administrative Committee on Coordination for consideration at its session held in April 1991, but time had been too short to permit a thorough discussion, although a number of agencies had sent UNIDO their observations, which had been noted and used in revising the document.

78. Because of the time constraint and the fact that the Economic and Social Council was due to consider the subject in Geneva in two weeks' time, the document had already been made available to the United Nations Secretariat for distribution to Member States. It was suggested, therefore, that the Board might wish to communicate its views directly to the President of the Council.

79. Mr. SURYAWINATA (Indonesia) said he noted that, in General Assembly resolution 45/196, particular attention was drawn to the need to mobilize funds to ensure that UNIDO's technical cooperation activities led to sound and viable industrial investment projects. His delegation thus urged UNIDO to allocate appropriate resources to its trust fund activities, if necessary through a redeployment of resources, so that full use could be made of the special trust fund schemes as alternatives to traditional assistance programmes.

80. His delegation also called on UNIDO to cooperate with the appropriate organs, organizations and bodies of the United Nations system, particularly the regional economic commissions, to draw up specific programmes and projects in order to respond adequately to resolution 45/196. Efforts should also be made to mobilize funds other than those from traditional assistance programmes to implement those programmes and projects.

81. Because resolution 45/196 was closely related to resolution 45/234 and resolution S-18/3, his delegation proposed that the current item be discussed in conjunction with agenda item 20 on the implementation of the commitments and policies agreed upon in the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries.

82. Mr. GEORGIEVSKY (Ukrainian Soviet Socialist Republic) said he noted with satisfaction that document IDB.8/32 reflected the medium-term plan priorities of human resources development, the development and transfer of technology, industrial rehabilitation, the development of small and medium-sized industries, the environment and energy. The development and transfer of technology was a key area of activity for UNIDO, and would remain so; his delegation assessed positively the Secretariat's work in the field of monitoring new technologies, and considered that it was necessary to expand access to information in those areas of activity with a view to enhancing participation in them by Member States.

83. Industrialization involved all spheres of human activity and was global in nature, and the achievement of the goals set out in the document required the participation of practically all the organizations in the United Nations system; the recommendation in paragraph 12, for example, presupposed the participation of UNCTAD.

84. Mr. OBA (Japan) said his delegation was able to support most of the proposals contained in document IDB.8/32, especially those dealing with the human factor and the challenge of technology. It was particularly pleased to note the reference in paragraph 26 of the document to the Kanban (just-in-time) system implemented in Japanese manufacturing industry. However, it was not entirely happy about the proposals contained in sections C and E of chapter II of document

IDB.8/32, since some of the issues raised appeared to be outside the mandate of the Organization.

85. Mr. HOSSEIN ZADEH (Islamic Republic of Iran) said that General Assembly resolution 45/196 was a unanimous call to action by all the Member States of the United Nations which should be strongly echoed by UNIDO as the leader in industrial development. A key aspect of the diversification and modernization of productive activities in developing countries was the mobilization of funds. New sources, such as trust funds, had to be found to supplement traditional sources which were inadequate.

86. He welcomed the linking of technical assistance to industrial investment. UNIDO should prepare to provide project management services for larger and larger industrial projects and not confine itself merely to playing a catalytic role. He welcomed the emphasis on enterprise-level cooperation, since it was through individual enterprises, public and private, that UNIDO could achieve the results targeted in the medium-term plan.

87. Lastly, his delegation strongly supported the recommendation in paragraph 63 of IDB.8/32 for strengthening and expanding UNIDO's special trust fund activities.

88. Mr. PUTHO (Observer for Thailand) said his delegation fully supported the approach of UNIDO as set out in document IDB.8/32. In particular, the private sector should be encouraged to play a key role in industrialization, supported by the Government or the public sector. Foreign direct investment and joint ventures should be promoted, both between developed and developing countries and among developing countries, through cooperation between UNIDO and finance institutions. Transfer of cleaner, safer and more cost-effective technology should be encouraged. There should be more training of engineers, scientists and entrepreneurs.

89. Mr. SCOULAR (United Kingdom), supported by Ms. LUXEM (Germany) and Mr. BUCHE (United States of America), said that his delegation needed more time to study document IDB.8/32. Its approach to the recommendations in the document was one of caution. In particular, it needed time to consider the implications of section C.

90. He did not agree with the representative of the Islamic Republic of Iran on UNIDO's role. UNIDO could only be a catalyst; it was not a development bank, for example.

91. Mr. AFANASIEV (Union of Soviet Socialist Republics) said he supported the recommendations contained in the document, particularly with respect to inter-agency co-operation. He felt that there should also have been some reference to demilitarization, since that was a major factor for both developed and developing countries in redeploying resources for development.

92. Mr. WIESEBACH (Deputy-Director General, Department for Programme and Project Development) said that document IDB.8/32 incorporated decisions by the policy-making organs and documents such as the medium-term plan. It was thus in the mainstream of concepts on how developing countries could confront a changing world by acquiring expertise in areas such as technology, management and marketing. He could not see how sections C and E exceeded the mandate of UNIDO, as one delegation seemed to have suggested.

93. He agreed with the representative of the Union of Soviet Socialist Republics that the impact of demilitarization was an important issue. It had not been addressed in the current context because it was not included in the General Assembly resolution. The matters covered by agenda item 20 were closely related to those under the current item, and decisions taken on both items 19 and 20 would have an impact on item 16.

94. The PRESIDENT said that the Board had concluded its consideration of agenda item 19. It would return to the item later in the session solely for the purpose of adopting a decision.

IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (IDB.8/2)

95. The PRESIDENT said that the item had been included in the agenda of the current session of the Board pursuant to Economic and Social Council resolution 1990/54. General Assembly resolution 45/234 called upon the Governments of States Members of the United Nations and the specialized agencies to take appropriate measures to ensure the full and effective implementation of the Declaration on International Economic Cooperation. It also requested the Secretary-General to submit a report thereon to the General Assembly at its forty-sixth session.

96. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that UNIDO's recommendations in response to that call were to be found in document IDB.8/32.

97. Mr. SCOULAR (United Kingdom), supported by Mr. BUCHE (United States of America), said that further time was needed for consideration of the item, before a decision was taken.

98. The PRESIDENT said that the Board would return to the item later in the session solely for the purpose of adopting a decision.

HEADQUARTERS AGREEMENT BETWEEN UNIDO AND THE REPUBLIC OF AUSTRIA AND SPACE REQUIREMENTS OF THE VIENNA-BASED ORGANIZATIONS (IDB.8/34 and 41)

99. Mr. WARNER (Deputy Director-General, Department of Administration) said that additional space - approximately five floors - was needed to meet United Nations standards and accommodate the growing number of trainees, experts, consultants and other staff working for or with UNIDO. Discussions were continuing with the Austrian Government and the international organizations. When complete, the financial and budgetary implications would be clearer.

100. He expressed appreciation to the Austrian Government for its offer to provide the office space required at no cost to the international organizations.

101. Mr. NEUMANN (Legal Adviser) said that consultations with the legal services of the United Nations and the International Atomic Energy Agency had resulted in agreement on common or parallel provisions for most matters. A number of separate existing agreements had been consolidated into a single text. The Director-General would report to the policy-making organs on further progress.

102. Mr. WOTAVA (Austria) said that his Government had invited the international organizations to submit detailed space requirements to assist in planning the new offices.

103. He was rather surprised that, although document IDB.8/41 referred to UNIDO's immediate need for five additional floors, the Deputy Director-General for Administration had indicated, in another context, that UNIDO had no pressing need for extra space.

104. Mr. WARNER (Deputy Director-General, Department of Administration) explained that his remarks had been in the context of meetings to solve the urgent space needs of the newly created drugs administration (UNDCP). In a spirit of cooperation, he had simply recognized that UNDCP's needs were even more urgent than UNIDO's. That did not alter the fact that UNIDO had an immediate need of five extra floors for the reasons he had explained.

105. Mr. LAVIÑA (Philippines) said he agreed that UNIDO had expanding needs and wished to express his gratitude to the Government of Austria for its offer of additional offices and other space. He was also pleased that the Headquarters Agreement was nearly complete.

106. Mr. GAILI (Sudan) said that it was important that the Government of Austria should be given details of UNIDO's precise needs to assist it in the planning process.

107. The PRESIDENT said that the Board had concluded its consideration of agenda item 21. It would return to the item later in the session solely for the purpose of adopting a decision.

JOINT UNIDO/UNITED NATIONS CONFERENCE SERVICE (IDB.8/43, A/CN.1/R.1136/Rev.1)

108. Mr. ALEXANDRENNE (Deputy Director-General, Department of External Relations, Public Information, Language and Documentation Services) said that the UNIDO conference service had been established in 1967 and had assumed responsibility for serving the United Nations bodies that had moved to Vienna in the late 1970s.

109. When UNIDO became a specialized agency in 1986, it continued to provide the United Nations bodies with translation, editorial, publication and documents control services, through the UNIDO-administered Languages and Documentation Division, whereas the Meetings Planning and Interpretation Service had been transferred to the United Nations Office at Vienna. Since 1986, there had been no complaint from either organization or from the Member States regarding the effectiveness or efficiency of the two components, and it was commonly recognized that the United Nations/UNIDO joint conference services functioned satisfactorily.

110. The International Atomic Energy Agency had a fully-fledged conference service of its own.

111. A study commissioned by the Joint Inspection Unit had initiated discussions about a common conference service in Vienna in 1964, on the plausible assumption that the eventual unification of all conference-servicing facilities at the Vienna International Centre could bring economies of scale and improve efficiency.

112. UNIDO had always been open to serious suggestions which could lead to improvements in conference servicing, provided they entailed no additional expenditure and took account of the interests of all parties. UNIDO firmly believed that any administrative rearrangement should be considered within the established framework of inter-agency consultations.

113. General Assembly resolution 45/248, section A, part VIII, endorsed the recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/45/7/Add.6, paras. 11, 25, 27 and 28), providing inter alia for the submission of detailed proposals for a common United Nations/UNIDO/IAEA conference-servicing facility or a unified United Nations/UNIDO service, either of which would be administered by the United Nations.

114. On 15 April 1991, UNIDO received the Secretary-General's report entitled "Unified Conference Services for the United Nations Organizations at the Vienna International Centre" (A/CN.1/R.1136/Rev.1) for submission to its Governing Bodies. The report embodied the most recent proposal by the United Nations Secretariat, with more limited scope than the initial Joint Inspection Unit idea. Apart from interpretation services, only two organizations, UNOV and UNIDO, would be covered by the proposed conference-servicing configuration.

115. The proposal provided for unification of the UNIDO Languages and Documentation Division and of the UNOV Meetings Planning and Interpretation Service and for UNOV administration of the unified service.

116. UNIDO's position on the subject had been explained on a number of occasions. The unification of the Languages and Documentation Division and the Meetings Planning and Interpretation Service could not yield savings and would have no impact on the functioning of the two units because they were self-contained. Since there was no duplication of functions, no staff reductions could be expected.

117. The transfer of administering authority had considerable financial implications. The current UNOV administrative structure was too small to absorb the Languages and Documentation Division and the additional infrastructure (finance and personnel posts) could cost as much as $1.8 million per biennium. UNIDO could not agree to that proposal because it would conflict with the zero-growth budget policy and would amount to acquiescing in financial mismanagement. Implementation of the suggestion was unwarranted, since the current joint services arrangement functioned satisfactorily.

118. The Secretary-General's report contained a new constructive proposal to place the interpretation component at the VIC under UNOV administration, on behalf of IAEA and UNIDO. That proposal should be implemented without delay, and the new arrangement should be operational as from 1 January 1992.

119. UNIDO supported the conversion of some temporary assistance funds into established posts as it would generate savings and regularize the status of many staff members. However, it did not agree that the conversion could be implemented only if UNOV assumed administration of the joint services. The conversion was reasonable, and

should be administered within the current set-up at the earliest convenience.

120. Analysis of United Nations proposals over the past year had identified some important areas for thorough examination, which should be undertaken and followed up by the tripartite advisory committee on conference services in Vienna.

121. If UNIDO's governing bodies supported the Secretary-General's proposals on the rearrangement of the interpretation service and the conversion of specified amounts of temporary assistance funds into established posts for the Languages and Documentation Division within the current administrative set-up, and confirmed that the current conference-servicing arrangement should continue, such a decision would provide for rational innovations while maintaining the structure that has proved satisfactory to all the parties.

122. Mr. VISLYKH (Director, Administrative and Common Services, United Nations Office at Vienna), introducing the preliminary proposals on the establishment of a unified conference service for the United Nations organizations at the Vienna International Centre (VIC), said that the proposals were self-explanatory. They provided for the establishment of a unified conference service at the VIC under United Nations administration which would offer Member States and the Secretariats of the United Nations and UNIDO a number of important advantages.

123. Firstly, a unified conference service would ensure budgetary transparency and administrative coherence for conference services at the VIC. The lack of such features had been a matter of great concern to Member States since the creation of the VIC and the current set-up of conference services there. The proposals also addressed the important matter of the well-being of conference-servicing staff members who were, quite understandably, dissatisfied with the ambiguity of their contractual status and the lack of career opportunities.

124. Secondly, integration of a unified conference service into the global network of United Nations conference services would allow the services in Vienna to keep up their quality standards in line with the constantly improving standards in the United Nations system throughout the world. Thirdly, a unified conference service in Vienna would offer opportunities to reduce the costs of the operation of the service, and that would benefit the Member States of both Organizations.

125. The ideas set forth in the report had been extensively discussed with UNIDO in the spring of 1991. The United Nations had been encouraged by the support expressed by UNIDO in principle for the idea of establishing a common conference service for the benefit of all entities operating at the VIC and by its desire to continue the discussion of modalities for pooling all conference service resources.

126. However, a number of serious concerns with regard to some of the proposals in the report had also been expressed by the UNIDO Secretariat. The addendum to the report attempted to clarify the most important of them. In particular, the United Nations was in a position to assure UNIDO that if the proposal was accepted, UNIDO's share of conference service costs would not increase. On the contrary, it would in all likelihood decrease immediately and noticeably.

127. On the basis of the above, it was to be hoped that the Member States of UNIDO would find the Secretary-General's proposals acceptable. If not, it would be necessary to consider future steps in that matter, and he sought to explain the position of the United Nations in that regard. The current set-up of the conference service at the VIC had a number of inherent defects.

128. Firstly, the complexity of the cost-sharing procedures led to a lack of transparency in both United Nations and UNIDO budgetary presentations to their respective legislative organs, caused inaccurate accounting records, created irregularities in cash-flow management, led to the inability of both organizations to harmonize income and expenditure estimates and created an inordinate workload requiring an excessive administrative superstructure.

129. Secondly, the existing arrangement was based on a structure which relied upon close, informal working relationships established prior to UNIDO's transformation. Attrition and the inevitable personnel dynamic of separate organizations, each with its own distinct mission, might at any time make that arrangement unviable.

130. Thirdly, the clearly ambiguous situation of staff under contract to one organization but subject to the increasingly divergent rules and regulations of another organization was detrimental to staff morale and dedication. The conference service staff had been working in an administrative limbo. It was unfair to limit career development prospects arbitrarily by perpetuating a compromise.

131. Fourthly, UNIDO's massive commitment to a mainframe-base computer environment was increasingly out of line with the established United Nations programme for computerization. While the United Nations and other specialized agencies were linking their environments together with electronic mail facilities, UNIDO was heading in a different direction.

132. Whereas the United Nations was carrying out a carefully orchestrated project of expanding local area networks linked by minicomputers for its worldwide conference services, UNIDO's EDP strategy had resulted in the non-use of installed features, on both its minicomputers and its mainframe, and currently appeared to be resulting in the cancellation of both its minicomputer environment and its mainframe-based electronic mail facilities.

133. Developments at Headquarters, especially in the area of the non-Roman languages and high-technology storage facilities, could become unavailable because of such incompatibility of operating systems and specific hardware capabilities.

134. Lastly, major economic measures, such as the conversion of costly temporary assistance resources to less expensive established posts, could not be adopted under the status quo situation.

135. In view of those shortcomings, any attempts to enhance the current set-up would serve no useful purpose. Efforts to improve a system were worth while only if the system was basically

sound; if it was conceptually flawed, there was no point in even attempting to improve it without addressing its basic soundness.

136. The fact that the current set-up of the conference service in Vienna had hitherto provided satisfactory services to the end-users was largely due to the integrity, dedication, and experience of the existing conference service staff. Sound management policies could not depend on personalities, however, but must be based on rational and structural arrangements. It was therefore the view of the United Nations Secretary-General, unanimously supported by the United Nations Member States as reflected in General Assembly resolution 45/248, that the status quo in the current conference service arrangement in Vienna could not continue.

137. In those circumstances, the option favoured in the United Nations was the establishment of a unified conference service. The UNIDO Secretariat was also on record as supporting that option in principle, because it offered maximum financial advantages to the two organizations and their Member States. A unified conference service would represent the ideal solution from the standpoint of efficiency of conference-servicing facilities in Vienna. What was currently needed was pragmatic action to match the professed intentions.

138. Given the commitment of both organizations to the idea of a common conference service, the Secretary-General had been requested by the General Assembly to submit to its forty-sixth session detailed specific proposals on the establishment of a unified conference service at the VIC. The documents under consideration contained preliminary proposals of the Secretary-General, because final proposals should be produced jointly by the Secretariats of the United Nations and UNIDO.

139. Both Secretariats had recognized that it would be sensible to use the cumulative effect of unifying conference-servicing resources available at the VIC so as to acquire the ability to employ more flexibly the highly-qualified and costly linguistic personnel and streamline the support structure of the existing conference service. Their main concern was to ensure that the limited resources under the current policy of zero-growth budgets would be put to optimum use. Moreover, changes in the existing set-up should not result in higher costs to the organizations. If those concerns were truly shared, then the two Secretariats should surely participate in an equally constructive manner in the joint unification exercise.

140. That was precisely where enlightened guidance from IDB member States would be most welcome. The United Nations and UNIDO Secretariats should work out a mutually acceptable solution to that longstanding problem and present it to the United Nations General Assembly and the UNIDO General Conference for appropriate incorporation into the budgets of the two organizations.

141. Of course, it was not possible to discount the option providing for separate conference services for the two organizations. After all, IAEA had managed, for many years, to operate effectively and, presumably, cost-efficiently its own conference service, with full support from its member States. The Secretary-General had been specifically requested by the General Assembly to include proposals for the establishment of an independent United Nations conference service in his report to the forty-sixth session.

142. If the Secretary-General determined that no progress in the establishment of a unified conference service at the VIC could reasonably be expected in the immediate future, he was required to proceed with the implementation of that request. At that stage, the United Nations Secretariat was confident that it would be able to establish its own independent conference service at no extra cost to United Nations Member States, but free from all the deficiencies of the current set-up and open to a more effective financial scrutiny and control by the Member States.

143. In sum, the United Nations took the firm position that the status quo in the conference-servicing arrangements at the VIC was unacceptable; it was convinced that the establishment of a unified conference service facility at the VIC would represent an ideal solution from the point of view of effectiveness and cost-efficiency; it thought that the Secretary-General's initial proposals provided a good basis for reaching an agreement between the United Nations and UNIDO on future arrangements for conference services at the VIC; it shared the view of UNIDO that a truly effective and cost-efficient united conference service at the VIC could be established only if all concerned parties were involved and ready to participate; and it invited UNIDO to join, in a truly cooperative spirit, in a common search for an optimum solution for to conference-servicing problem at the VIC that would be acceptable to both organizations and beneficial to their Member States. The final joint proposal of the United Nations and UNIDO on that subject should be presented as soon as possible to their respective legislative organs for proper action.

144. As for the draft decision in document IDB.8/43, it would be totally inadequate, as far as the United Nations were concerned, because it aimed at perpetuating the status quo in the languages and documentation services at the VIC. In proposing implementation of changes in the existing arrangements for interpretation services, it isolated one element to the exclusion of the balance of the Secretary-General's proposals. Neither the continuation of the current set-up nor the arbitrary selection of an individual recommendation from a comprehensive, integral approach was acceptable to the United Nations, which would interpret as a clear indication of UNIDO's unwillingness, despite repeated invitations from the General Assembly, to cooperate with the United Nations in a common search for a better, less costly arrangement for conference services at the VIC.

145. Mr. WOTAVA (Austria) said his delegation was most concerned that serious differences of opinion still obviously existed between the United Nations and UNIDO, with the Secretary-General of the United Nations proposing the creation of a unified conference service that would ensure budgetary transparency and administrative coherence for conferences at the VIC and UNIDO proposing that the conference-servicing arrangements between the two organizations, with the exception of the interpretation component, should remain as they were.

146. The United Nations considered that the joint conference service had a number of defects which could be significantly improved; UNIDO took the view that it was functioning well and that, with the exception of the interpretation services, no changes should be made.

147. The United Nations considered that UNIDO's financial share of conference services would

immediately and significantly decrease as a result of the change, while UNIDO estimated that the Organization would have to meet increased costs of $1,800,000 per biennium.

148. His delegation, that of the host country, did not wish to take sides, but it had to take seriously the statement by the representative of the United Nations that maintenance of the status quo was not acceptable. What, under any circumstances, should be avoided was separate conference services, because both the United Nations and UNIDO believed that joint conference services should be more efficient and less costly. Since they both seemed to agree on that principle, the point at issue was which of them should be responsible for the joint services.

149. They should continue with their efforts to reach a mutually acceptable solution, which would certainly also be in the interest of the Member States. It was his delegation's hope that the Secretary-General's "preliminary proposals" could, in the near future, be converted into a final joint proposal for submission to the competent bodies of both organizations.

150. Mr. TAKASHIMA (Japan) said that there should be a fairer apportionment of costs that reflected the current usage of joint and common services but, having been given very short notice of the proposal by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), his delegation found it impossible to evaluate UNIDO's proposed share of the costs without knowing the total costs for the three related organizations in Vienna. It recommended, therefore, that the Board postpone discussion of the matter until a consensus could be reached with the other organizations.

151. Mr. van RENS (Netherlands), speaking on behalf of the States members of the European Community, also supported the need for a fairer apportionment of costs reflecting current usage of the services available. The existing arrangements were satisfactory, and should be changed only if that would lead to greater efficiency and procedure economies. Without detailed costings of the additional staff required in the United Nations Office at Vienna, if it were to take over the administration of the joint conference service, he was unable to judge the cost-effectiveness of the proposals and could not accept the need for change for its own sake.

152. The same applied to proposals for change in the responsibilities for the administration of common services in the VIC, for the existing arrangements seemed to work satisfactorily and to meet the needs of the staff, the Member States and visitors; any change in those arrangements would need to be examined in the light of the efficiency, economy and quality of services it would bring about.

153. Mr. EFIRD (United States of America) said that, in view of the fact that the General Assembly would be considering the matter at its forty-sixth session, and - it was to be hoped - shedding further light on many of the uncertainties regarding costs and operational modalities, the Board should not take a decision for the moment.

154. The main objective was to achieve the most economical and effective conference service operation in Vienna for both UNIDO and the United Nations. The information provided by the two organizations so far was inconclusive and, in some cases, contradictory. They needed to resolve their differences and work out a satisfactory solution once and for all. A good starting point would be for either UNIDO or the United Nations to take the lead and present Member States with an objective cost-benefit plan, or "business plan", to implement a particular proposal.

155. Mr. SKRIPKA (Union of Soviet Socialist Republics) said that the question of unifying conference services should be considered on a purely practical basis in terms of its effectiveness and rationality. At a joint UNIDO-IAEA briefing held in 1991, representatives of a number of Member States had mentioned the need to obtain further information from United Nations Headquarters concerning the financial advisability of such changes before the right decision could be taken.

156. His delegation took the view that it would be rational to centralize conference services in the VIC, provided that it took account of the interests of all the international organizations of the United Nations system represented in Vienna. The existing joint conference service for UNIDO and the United Nations, which was based on recommendations made in 1984, had proved its viability and was effectively integrated. To abandon it and create separate services for each organization would represent a step backwards and, more importantly, it would involve duplication and a substantial increase in expenditure for the Member States. For that reason his delegation saw no need to split the conference service at the VIC.

157. The proposal by the United Nations Secretariat to merge the two components of the existing conference service and place them under the United Nations Office at Vienna would not create the preconditions for increasing their effectiveness and could entail extra administrative costs. The position adopted by the UNIDO Secretariat, that the existing system should be retained, was fully justified. At the same time, that must not prevent the United Nations Secretariat from implementing a number of useful measures referred to in the Secretary-General's report - in particular, from establishing posts and from integrating the joint conference service in Vienna into the United Nations telecommunication system, etc.

158. A decision on the matter should not be taken too hastily, for the tripartite consultations in 1990 had brought to light a number of new points which need further consideration, and it was to be hoped that the Advisory Committee on Conference Services in Vienna would continue efforts in that direction.

159. Mr. SAENZ PICADO (Costa Rica) said he shared the concern of the representative of Austria. Both the interpretation service and the conference service were widely recognized as working well. He therefore saw no need to change the existing arrangements, particularly as increased costs might arise.

160. Mr. ALEXANDRENNE (Deputy-Director-General, Department of External Relations, Public Information, Language and Documentation Services) said he had taken note of the technical aspects of the recommendations contained in the United Nations report (A/CN.1/R.1136/Rev.1). His Department would

endeavour to work closely with the United Nations to solve the technical problems in question.

161. The PRESIDENT said that the Board had concluded its consideration of agenda item 22. It would return to the item later in the session solely for the purpose of adopting a decision.

JOINT INSPECTION UNIT (IDB.8/42)

162. The PRESIDENT said that, in the absence of any comments, he would assume that the Board wished to take note of the information provided in document IDB.8/42.

163. It was so decided.

MATTERS RELATING TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS (IDB.8/14 and 44)

164. The PRESIDENT said, in connection with the three governmental organizations described in IDB.8/44, that, if he heard no objections, he would assume that the Board wished (a) to take note of the information contained in document IDB.8/44 and (b) to authorize the Director-General, in accordance with Article 19.1 (a) of the Constitution of UNIDO and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations, as contained in General Conference decision GC.1/Dec.41, annex, paragraph 9 and on the basis of the information contained in the annex to document IDB.8/44, to conclude appropriate relationship agreements with the following three intergovernmental organizations: the Financial Fund for Development of the River Plate Basin (FONPLATA), the International Pepper Community (IPC), and the Islamic Foundation for Science, Technology and Development (IFSTAD).

165. It was so decided.

166. The PRESIDENT said, in connection with the application by eight non-governmental organizations for consultative status, as described in the annex to document IDB.8/14, that, if he heard no objections, he would assume that the Board wished (a) to take note of the information provided in document IDB.8/14 and (b) to decide to grant consultative status with UNIDO to those eight non-governmental organizations in accordance with Article 19.1 (b) of the Constitution of UNIDO and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations, as contained in General Conference decision GC.1/Dec.41, annex, paragraph 17.

167. It was so decided.

PREPARATORY ARRANGEMENTS FOR THE FOURTH SESSION OF THE GENERAL CONFERENCE, INCLUDING THE REVIEW OF ITS PROVISIONAL AGENDA (IDB.8/37)

168. The PRESIDENT said that, under Article 9 (4) of the Constitution of UNIDO, it was the duty of the Board to prepare a provisional agenda for the General Conference. A decision had already been taken at the seventh session (IDB.7/Dec.25) and the Board had also before it a note by the Secretariat (IDB.8/37) on the preparatory arrangements, including a review of the provisional agenda. If there were no comments, he would take it that the Board's consideration of agenda item 25 was concluded. It would return to the item later in the session solely for the purpose of adopting a decision.

ORGANIZATION OF WORK

169. Mr. van RENS (Netherlands), speaking on behalf of the States members of the European Community, said that they wished to introduce a proposal in respect of agenda item 26. Since that item was scheduled for the following day, by which time the Drafting Committee would, it was hoped, have concluded its work, he requested, in order to avoid a debate on the subject in the last plenary meeting, that there be a discussion of the item in the Drafting Committee that evening.

170. The PRESIDENT said that, if he heard no objections, he would take it that the Board wished to agree to the request by the representative of the Netherlands.

171. It was so decided.

The meeting rose at 7.20 p.m.

Distr.
GENERAL

IDB.8/SR.10
15 July 1991

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Eighth session

SUMMARY RECORD OF THE 10th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 5 July 1991, at 8.30 p.m.

President: Mr. TOFIGH (Islamic Republic of Iran)

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V.91 27129 0886E

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The meeting was called to order at 9.35 p.m.

INTRODUCTION OF DRAFT DECISIONS

1. The PRESIDENT said that a number of agenda items were still open for possible adoption of decisions. He would now ask the Board to consider draft decisions on those items (IDB.8/L.1-33 and L.35-42), which had been the subject of discussion in informal consultations.

2. Mrs. JALLAWY (Egypt), speaking as Chairman of the informal consultations established with a view to facilitating the drafting of decisions, informed the Board that consensus had been reached on 41 draft decisions. Two draft decisions had been proposed on agenda item 17, and the item was referred to the plenary.

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1990 ON THE ACTIVITIES OF THE ORGANIZATION (continued) (IDB.8/10 and Corr.1; IDB.8/CRP.6; IDB.8/L.6)

3. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.6 on agenda items 4 and 11 (b).

4. The draft decision was adopted.

UNIDO POLICIES (continued)

(a) UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1990 (continued)

(b) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (continued)

(c) REGIONAL COOPERATION PROGRAMME FOR THE INDUSTRIAL RECOVERY OF LATIN AMERICA AND THE CARIBBEAN (continued)

(d) SPECIAL PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT OF ASIA AND THE PACIFIC (continued)

(e) DEVELOPMENT OF HUMAN RESOURCES (continued)

(f) TRANSFER OF TECHNOLOGY (continued)

(g) ENERGY PROGRAMME (continued)

(IDB.8/9, IDB.8/10 and Corr.1, IDB.8/13, 16, 17, 24-26, 29, 46 and Corr.1 and 47; IDB.8/CRP.1 and Corr.1; IDB.8/L.1, L.1/Amend.1, L.2-5, L.14, L.15, L.19, L.22 and L.24)

5. The PRESIDENT drew attention to draft decision IDB.8/L.22, relating to agenda item 5 as a whole.

6. The draft decision was adopted.

7. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.19 on item 5 (a).

8. The draft decision was adopted.

9. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.14 on item 5 (b).

10. The draft decision was adopted.

11. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.1 on item 5 (c), and to the amendment to that draft decision submitted by a group of countries in document IDB.8/L.1/Amend.1.

12. Mr. SALAS BARAHONA (Peru), speaking on behalf of the sponsors of the amendment in document IDB.8/L.1/Amend.1, said he wished, in the interest of consensus, to withdraw the amendment. He wished it to be placed on record that the Latin American countries appreciated the efforts made by the Secretariat staff directly responsible for the Regional Cooperation Programme, efforts which had culminated in two of the projects in the Programme, concerning subcontracting and automation in the capital goods industry. They were also grateful for the interest shown in the Programme and support given to it by donor countries. Their concern was now focused on the remaining areas of the Programme, where they considered that the preparatory activities could be accelerated.

13. Draft decision IDB.8/L.1 was adopted.

14. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.2 on item 5 (d).

15. Mr. DJATMIKO (Indonesia) proposed that paragraph (c) (iii) of draft decision IDB.8/L.2 should be amended to read: "That the specific priority areas indicated in paragraph 3 of resolution GC.3/Res.18 be covered in the formulation of project proposals for the UNDP fifth programming cycle (1992-1996)."

16. It was so agreed.

17. The draft decision, as amended, was adopted.

18. The PRESIDENT drew the Board's attention to draft decisions IDB.8/L.3 and IDB.8/L.24 on item 5 (e).

19. Draft decision IDB.8/L.3 was adopted.

20. Draft decision IDB.8/L.24 was adopted.

21. The PRESIDENT drew the Board's attention to two draft decisions on item 5 (f): draft decision IDB.8/L.4 on the transfer of technology, and draft decision IDB.8/L.15 on the proposed international centre for science and high technology.

22. Draft decision IDB.8/L.4 was adopted.

23. Draft decision IDB.8/L.15 was adopted.

24. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.5 on item 5 (g).

25. The draft decision was adopted.

INDUSTRIAL INVESTMENT PROMOTION (continued) (IDB.8/18; IDB.8/CRP.2; IDB.8/L.12)

26. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.12.

27. The draft decision was adopted.

UNIDO COUNTRY DIRECTOR PROGRAMME (continued) (IDB.8/27; IDB.8/L.20)

28. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.20.

29. The draft decision was adopted.

SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (continued) (IDB.8/23; IDB.8/L.18)

30. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.18.

31. The draft decision was adopted.

TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE (continued) (IDB.8/28)

32. The PRESIDENT said that no draft decision had been tabled under that item. He suggested that the Board should take note of the progress report by the Director-General on the subject (IDB.8/28) and the statements made during the debate, in particular by the Secretariat.

33. It was so decided.

PERSONNEL MATTERS (continued):

(a) WOMEN IN THE SECRETARIAT (continued)

(b) UNITED NATIONS JOINT STAFF PENSION FUND (continued)

(IDB.8/15, 20, 35 and 49; IDB.8/L.23, L.25, L.33 and L.35)

34. The PRESIDENT drew the Board's attention to two draft decisions relating to agenda item 10 as a whole: draft decisions IDB.8/L.33 and IDB.8/L.35.

35. Draft decision IDB.8/L.33 was adopted.

36. Draft decision IDB.8/L.35 was adopted.

37. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.23 on item 10 (a).

38. The draft decision was adopted.

39. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.25 on item 10 (b).

40. The draft decision was adopted.

41. The PRESIDENT pointed out that related to item 10 was a draft decision (IDB.8/L.31) which would be submitted under item 11 (g) (Financial regulations) but which also dealt with staff regulations.

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (continued) (IDB.8/19 and Corr.1 and Add.1)

(a) SCALE OF ASSESSMENTS (continued) (IDB.8/4 and Add.1; IDB.8/L.7)

42. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.7.

43. The draft decision was adopted.

(b) INTERIM FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT (continued) (IDB.8/10; IDB.8/L.7)

44. The PRESIDENT recalled that a decision relating to that sub-item (IDB.8/L.6) had already been adopted under agenda item 4.

(c) FINANCIAL SITUATION OF UNIDO (continued) (IDB.8/36; IDB.8/CRP.3; IDB.8/L.30)

(d) BALANCES OF APPROPRIATIONS FOR THE BIENNIUM 1986-1987 RESULTING FROM THE SUSPENSION OF FINANCIAL REGULATIONS 4.2 (b) AND 4.2 (c) (continued) (IDB.8/L.30)

45. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.30 relating to sub-items (c) and (d) of item 11.

46. The draft decision was adopted.

(e) PROGRAMME AND BUDGETS, 1992-1993 (continued) (IDB.8/8/Rev.1 and Add.1; IDB.8/L.26, L.28 and L.29)

47. The PRESIDENT drew the Board's attention to draft decisions IDB.8/L.26 on the programme and budgets, 1992-1993, IDB.8/L.28 on the 15 per cent reserve of total appropriations and IDB.8/L.29 on the split-currency system of assessment.

48. Draft decision IDB.8/L.26 was adopted.

49. Draft decision IDB.8/L.28 was adopted.

50. Draft decision IDB.8/L.29 was adopted.

(f) WORKING CAPITAL FUND (continued) (IDB/8/7, IDB.8/36; IDB.8/CRP.3; IDB.8/L.8)

51. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.8.

52. The draft decision was adopted.

(g) FINANCIAL REGULATIONS (continued) (IDB.8/31; IDB.8/L.31)

53. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.31.

54. The draft decision was adopted.

(h) EXAMINATION OF THE PRACTICE OF ZERO REAL GROWTH BUDGETS (continued) (IDB.7/28; IDB.8/CRP.5; IDB.8/L.21)

55. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.21.

56. The draft decision was adopted.

(i) APPOINTMENT OF AN EXTERNAL AUDITOR (continued) (IDB.8/L.9)

57. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.9.

58. The draft decision was adopted.

(j) INDUSTRIAL DEVELOPMENT FUND (continued) (IDB.8/10, IDB.8/11; IDB.8/L.10)

59. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.10.

60. The draft decision was adopted.

(k) FOLLOW-UP OF RECOMMENDATIONS OF THE EXTERNAL AUDITOR FOR THE FINANCIAL PERIOD 1988-1989 (continued) (IDB.8/L.13)

61. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.13.

62. The draft decision was adopted.

MEDIUM-TERM PLAN, 1992-1997 (continued) (IDB.8/30; IDB.8/L.11)

63. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.11.

64. The draft decision was adopted.

SPECIAL TRUST FUND PROJECTS (continued) (IDB.8/38; IDB.8/L.38)

65. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.38.

66. The draft decision was adopted.

SYSTEM OF CONSULTATIONS (continued) (IDB.8/21, IDB.8/22; IDB.8/L.16)

67. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.16.

68. The draft decision was adopted.

PROGRESS REPORT ON NEW CONCEPTS AND APPROACHES FOR COOPERATION IN RESPECT TO INDUSTRIAL DEVELOPMENT IN CONFORMITY WITH ARTICLE 2 (c) OF THE CONSTITUTION (continued) (IDB.8/39)

69. The PRESIDENT said that no draft decision had been tabled for that agenda item.

EVALUATION OF THE OBJECTIVES AND FUNCTIONS OF UNIDO IN VIEW OF RECENT CHANGES AND DEVELOPMENTS IN THE WORLD (continued) (IDB.8/33, IDB.8/40; IDB.8/L.17)

70. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.17.

71. The draft decision was adopted.

ORGANIZATIONAL AND STAFF STRUCTURE (continued) (IDB.8/45)

72. The PRESIDENT presented the following statement:

"The Industrial Development Board:

"(a) Recalls General Conference decision GC.2/Dec.22 and resolution GC.3/20, as well as Industrial Development Board decision IDB.7/Dec.23 concerning the organizational and staff structure of UNIDO;

"(b) Takes note with appreciation of the report of the working group established by the Board on the subject (PBC.7/12 and Corr.1);

"(c) Takes note of the information presented by the Director-General in document IDB.8/45 - GC.4/19;

"(d) Recognizes that the Director-General, as the Chief Administrator, has the overall responsibility and authority to direct the work of the Organization and, under the authority of and subject to the control of the Board, is responsible for the appointment, organization and functioning of the staff;

"(e) Recognizes that more time is needed to reach a consensus on the nature of possible changes to UNIDO's organizational and staff structure;

"(f) Encourages representatives of Member States, under the guidance of the Bureau, to engage in informal consultations on this issue on the basis of views expressed and proposals put forward with a view to reaching a decision at the fourth session of the General Conference."

73. Mr. KHERBI (Algeria) questioned the words "with appreciation" in paragraph (b) of the statement just presented. Perhaps the Board should simply "take note" of the information referred to in paragraphs (b) and (c) together. Concerning paragraph (c), he hoped the Board would take note of his delegation's comments on document IDB.8/45, especially the footnote to annex II, which his delegation could not accept (see document IDB.8/SR.4, para. 41).

74. The PRESIDENT said that the statement of the representative of Algeria would be noted.

INDUSTRIAL DEVELOPMENT COOPERATION AND DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES (continued) (IDB.8/32)

75. The PRESIDENT pointed out that, in compliance with General Assembly resolution 45/196, UNIDO was to submit recommendations on the subject to the General Assembly through the current session of the Economic and Social Council.

76. Since some members of the Board did not seem to agree with all the recommendations proposed by the Director-General in document IDB.8/32, he asked whether he could have the Board's authorization to comply with the request of the General Assembly by transmitting to the General Assembly, through the President of the Economic and Social Council, document IDB.8/32 accompanied by the views expressed by members during the debate on agenda item 19.

77. Mr. HABERLI (Switzerland) said that there had been little time for debate on agenda item 19. Document IDB.8/32 expressed only the views of the Secretariat, and it would not be proper for it to be submitted by the President of the Board. Instead, he proposed that document IDB.8/32 should be transmitted by the Secretariat of UNIDO, through the secretariat of the Economic and Social Council, to the General Assembly. The same would apply in respect of the next agenda item (item 20).

78. It was so decided.

IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued) (IDB.8/2)

79. The PRESIDENT said that the General Assembly, in resolution 45/234, had recommended to the governing bodies of the organizations of the United Nations system that they report through the Economic and Social Council at its current regular session on steps taken to fulfil the commitments and policies agreed upon in the Declaration on International Economic Cooperation.

80. He proposed that the Secretariat should be asked by the Board to transmit to the General Assembly at its forty-sixth session, through the Secretariat of the Economic and Social Council, document IDB.8/32 which reflected how UNIDO was responding to the concerns of the General Assembly, as explained in document IDB.8/2 - accompanied by the relevant summary records.

81. It was so decided.

HEADQUARTERS AGREEMENT BETWEEN UNIDO AND THE REPUBLIC OF AUSTRIA AND SPACE REQUIREMENTS OF THE VIENNA-BASED ORGANIZATIONS (continued) (IDB.8/34, IDB.8/41; IDB.8/L.42)

82. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.42.

83. The draft decision was adopted.

JOINT UNIDO/UNITED NATIONS CONFERENCE SERVICE (continued) (IDB.8/43; IDB.8/L.32)

84. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.32.

85. The draft decision was adopted.

PREPARATORY ARRANGEMENTS FOR THE FOURTH GENERAL CONFERENCE, INCLUDING THE REVIEW OF ITS PROVISIONAL AGENDA (continued) (IDB.8/37; IDB.8/L.41)

86. The PRESIDENT, in submitting the draft decision in document IDB.8/L.41, drew the Board's attention to the square brackets under paragraph (a). It was the understanding that, after the closure of the session, the Rapporteur would review those draft decisions calling for action to be taken by the General Conference. The Rapporteur would then be able to complete the list of additional items to be included in the provisional agenda of the General Conference.

87. With that proviso, and in the absence of any objections, he would take it that the Board wished to adopt the draft decision contained in document IDB.8/L.41.

88. It was so decided.

PROVISIONAL AGENDA FOR AND DATE OF THE FOURTH SPECIAL SESSION (IDB.8/L.39 and L.40)

89. The PRESIDENT reminded the Board that, in accordance with decision IDB.5/Dec.46 concerning the conduct of business and rationalization of

proceedings of the Board, the provisonal agendas for the regular sessions should be drawn up in biennial groups by a special brief session of the Board following the General Conference. In that connection, he submitted draft decision IDB.8/L.39 for the Board's consideration.

90. Draft decision IDB.8/L.39 was adopted.

91. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.40 concerning conduct of business and rationalization of procedures. The word "regular" should be added before the word "session" in paragraph (d) of the draft decision.

92. With that revision, draft decision IDB.8/L.40 was adopted.

93. The PRESIDENT suggested that the Board should also decide that its ninth regular session should be held from 18 to 22 May 1992.

94. It was so decided.

COMPUTERIZATION PROGRAMME OF UNIDO (continued) (IDB.8/3, 5, 6, 12, 19 and 48; IDB.8/L.36 and L.37)

95. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.37.

96. The draft decision was adopted.

97. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.36, entitled "Computerization programme of UNIDO: follow-up of the recommendations of the External Auditor".

98. Mr. MANSINGH (India), speaking on behalf of the Asian Group, proposed that in paragraph (b) of document IDB.8/L.36 the word "Director-General" should be replaced by "Secretariat".

99. Mr. VETTOVAGLIA (Switzerland) said it seemed to his delegation that the Director-General had realized that there was a mood of revolt among Member States. During the current session of the Board, a number of delegations had gained the impression that he understood the need to change his attitude, offering Member States more dialogue and transparency. There was a widely-shared feeling that there was now a new climate, without which the decision just adopted on the computerization programme of UNIDO (IDB.8/L.37) could not have been achieved.

100. Against that background, he wondered whether it was an appropriate time to make a personal accusation against the Director-General. Would it not be wiser to promote reconciliation rather than perpetuate confrontation? He therefore appealed to all delegations to demonstrate a spirit of generosity and reconciliation for the good of UNIDO.

101. He supported the amendment proposed by the representative of India on behalf of the Asian Group.

102. Mr. SAVIC (Yugoslavia) said that his delegation also wished to support the proposal of the representative of India.

103. Mr. ANGUIANO ROCH (Mexico) said his delegation objected to the proposal for an amendment to a draft decision which had been agreed by consensus in the drafting group. The representative of Switzerland had made a valuable statement. The problem was certainly not a personal one; however, it would be undesirable to reopen a debate on such a difficult matter. The Board should therefore retain the text of the draft decision as it had been agreed upon in the drafting group.

104. Mr. KHERBI (Algeria) said that it was important to consider all the implications of any draft decision. His delegation thought that the language of paragraph (b) was excessive, and in excess there was always subjectivity. He supported the amendment proposed by the representative of India and associated himself with the appeal by the representative of Switzerland.

105. Mr. ANGUIANO ROCH (Mexico), raising a point of order, expressed the view that the debate on a negotiated draft could not be reopened.

106. Mr. CSERVENY (Hungary) said that his delegation had been a co-sponsor of the draft decision. The text clearly reflected the concerns regarding the financial conduct of the electronic data-processing programme indicated to the Secretariat and the Director-General by Member States. However, the Board should not go beyond the points raised in the External Auditor's report and should refrain from any personal attack on the Director-General. His delegation supported the amendment proposed by India.

107. Mr. GUTIERREZ LEYTON (Chile) said that, under rule 36 of the Board's rules of procedure, the point of order raised by the representative of Mexico should be immediately decided by the President in accordance with the rules of procedure.

108. The PRESIDENT said that another draft decision had been amended before adoption. It was his understanding that any member could comment on any draft text produced as a result of informal consultations. It was for the Board to accept or reject any amendment.

109. Mr. WOTAVA (Austria) supported that interpretation. His delegation associated itself with the views expressed by Switzerland, Algeria and Hungary. The language used in paragraph (b) of the draft was excessive, and his delegation supported the amendment proposed by India.

110. He appealed to the authors of paragraph (b) to join in a consensus on the text as amended by India.

111. Mrs. RODRIGUEZ (Cuba) felt that the amendment proposed by India was substantive in nature; her delegation would find it hard to accept such an amendment. The draft text reflected a consensus achieved not only after hours of discussion in the drafting group, but after months spent on studying the issue.

112. Mr. PENNAROLA (Italy) endorsed the statements and the appeals made by the representatives of Algeria, Austria, Hungary and Switzerland.

113. Mr. NEWLIN (United States of America) said that his delegation had listened with great interest to the statements made by Switzerland, Algeria, India, Austria, Hungary and others. It was well known that his delegation had grave reservations concerning paragraphs (b) and (c) of the draft and would have preferred the exclusion of both. His delegation supported the Indian amendment.

114. Mrs. TALLAWY (Egypt), Chairman of the drafting consultations, drew attention to rule 49,

paragraph 1, of the rules of procedure: "The Board shall make every effort to ensure that all its substantive decisions are taken by consensus". She thought that the Board should approve the text as it stood; delegations could state any reservations for reflection in the record. It would be advisable to avoid the need for voting.

115. The amendment proposed by India would lay the blame on the entire Secretariat, which would be unfair. The mention of the Director-General related to his responsibility for running the Organization and should not be taken personally. She trusted that the record of the meeting would reflect that point.

116. The matter was a very sensitive one and it would be inadvisable to reopen the discussion and resort to a vote.

117. Mr. LAVIÑA (Philippines) said that his delegation's first impulse would be to delete paragraphs (b) and (c) of the draft. In the interest of a consensus, however, his delegation would support the Indian amendment. It endorsed the views expressed by Switzerland and other delegations.

118. In his view, draft decisions proposed by the drafting group were recommendatory and submitted to the plenary meeting for acceptance or rejection.

119. He would point out that the External Auditor had not attributed personal fault; the Board should not go beyond the External Auditor's findings.

120. His delegation would reluctantly invoke paragraph 2 of rule 49 if a consensus could not be reached.

121. Mr. BYKOV (Union of Soviet Socialist Republics) said that his delegation supported the amendment to the draft decision proposed by India. He regretted the emergence of political considerations that were at variance with the real objectives of the Organization.

122. Ms. BYANYIMA (Uganda) expressed concern that the matter had been reopened after lengthy discussion in informal consultations. A consensus had been reached with much difficulty and she could not understand why some delegations had changed their minds. Her delegation had originally felt that paragraphs (b) and (c) were unnecessary and did not in any way enhance the draft decision, but had followed the consensus view. For a delegation to change its position would undermine the work of the Chairman of the drafting group.

123. She thought that the text should be adopted without amendment and that it should be placed on record that it was not intended as a personal attack on the Director-General; however, he was accountable as head of the Organization.

124. Mr. PLUG (Netherlands) supported the views expressed by the representative of Uganda. The text as submitted was a carefully constructed and complicated compromise. There was no reflection on the Director-General's honour, but he was accountable.

125. Mr. ISOUNIS (Greece) supported those remarks.

126. Mr. ANGUIANO ROCH (Mexico) stressed that the draft text merely highlighted a particular shortcoming in the management of the Organization.

127. Mr. CHEN Shiqiu (China) said that his delegation supported the amendment proposed by India. The Chinese delegation could not fully support the view expressed in paragraph (b) of document IDB.8/L.36.

128. The amendment had been proposed by the representative of India on behalf of the Asian Group and had the support of other delegations. He thought that wording which caused disputes among delegations should be eliminated. Otherwise voting would be necessary, and his delegation agreed that a vote should be avoided.

129. Viscount VILAIN (Belgium) said that his delegation fully endorsed the views expressed by the representatives of Egypt, Uganda and the Netherlands. His delegation had originally introduced the draft decision to which paragraph (b) had subsequently been added, and had been satisfied with the draft text without paragraph (b). The paragraph had been included after extensive discussion and the amended text had been adopted without objection. He was surprised that the delegations which now wished to alter the text had not spoken up earlier during the drafting procedure.

130. He wondered how the "Secretariat" could be held responsible, as would be the case if the Indian amendment were adopted. It had already been recognized in the statement heard under agenda item 17 that the Director-General, as the chief administrator, had "overall responsibility and authority to direct the work of the Organization".

131. The wording of document IDB.8/L.36 was not designed to be taken as a personal indictment of the Director-General, but referred to his function.

132. He urged delegations to avoid a vote on the subject.

133. Mr. TAIANA (Argentina) said that his delegation supported the draft decision in substance; however, he thought that one should avoid introducing personal elements into draft decisions. He felt that the Indian amendment could be accepted, in line with the appeals made by many delegations, in order to depersonalize the draft decision, particularly as the issues involved were still under study.

134. Mr. SIAZON (Director-General) said that paragraph (b), as it read, was not factually correct. To state that the Director-General "allowed UNIDO" to do something implied that he knew about the situation beforehand. The Board had a report by the External Auditor which clearly indicated that the Director-General had not been fully informed. UNIDO regulations allowed for delegation of authority. The text would have been more correct and fair if it had read: "the Director-General did not prevent UNIDO ...".

135. Mr. KIMURA (Japan) said that his delegation was satisfied with the draft as it stood and supported the views expressed by Egypt. Those delegations that now wished to amend the text had had ample opportunity to raise the matter in the drafting consultations or the Bureau.

136. Mr. OSTERGAARD-ANDERSEN (Denmark), speaking on behalf of the four Nordic countries, said that the Nordic countries did not wish to break the consensus and have to vote on the issue. They wished to place on record their support for the spirit of reconciliation expressed by Switzerland and Hungary.

137. Mr. RIBEIRO DA SILVA (Brazil) said that his delegation fully shared the views put forward by the representatives of Egypt and Belgium. It would not be wise to reopen discussion of a subject already debated at length by the drafting group. He hoped that a spirit of mutual respect would prevail and that there would be no need for a vote. Acceptance of the text would be in line with Article 11.3 of the Constitution, which made the Director-General responsible for the work of the Organization.

138. MR. KAMEL (Turkey) said that he fully understood the considerations behind the amendment proposed by the Indian delegation and the appeal addressed to the Board by the Swiss delegation. However, a consensus had been reached in the drafting group on the basis of a compromise. The compromise text submitted was not intended as an affront to the Director-General, and he agreed with the view that delegations with reservations regarding the text should be content to have them reflected in the records.

139. Mr. GUTIERREZ LEYTON (Chile) said that two concerns of his delegation had always been, firstly, not to personalize debates and, secondly, to seek ways of strengthening the Organization. The problem under discussion was a serious one and he agreed with the Belgian delegation that it would be unfortunate to reopen the debate and have a vote. He supported the suggestion made by the representative of Egypt.

140. Mr. MOHAMMED (Nigeria) thought that the wording of paragraph (b) of document IDB.8/L.36 would be too strong if the reference was to a person. He supported the amendment proposed by the Indian delegation and endorsed the appeal for the Board to adopt a conciliatory attitude.

141. Mr. CONSTENLA (Costa Rica) said that the drafting group had spent many hours reaching a consensus. When the draft had been submitted to the Expanded Bureau, reservations had been expressed but the consensus had been maintained. There was no desire to personalize the debate, but a director-general must accept responsibility for what happened in his organization.

142. Mr. BOKONGA (Zaire) said that when an agreement was reached in negotiations it should be adhered to. The meaning of the wording proposed by India - "the Secretariat allowed UNIDO to enter into certain financial obligations ..." - was not clear.

143. Mr. WOTAVA (Austria) said that, in the hope of enabling consensus to be achieved, he would like to propose that the wording "the Director-General did not prevent UNIDO ..." should be used.

144. Mrs. TALLAWY (Egypt) thought that it was essential to abide by a consensus achieved in consultations and accepted by the Bureau. If necessary, she would introduce a motion that no vote should be taken.

145. The text could be kept as in document IDB.8/L.36 and a statement of clarification adopted.

146. The PRESIDENT said that he would suspend the meeting to allow consultations.

The meeting was suspended at 11.55 p.m. and resumed at 1.05 a.m.

147. The PRESIDENT said that, following informal consultations, it was proposed that draft decision IDB.8/L.36 should be adopted as it was, together with the following statement made by the President in consultation with and on behalf of the Board, which would be annexed to the decision: "Considering that the authority to commit the Organization in regard to electronic data processing was delegated, the regret expressed in paragraph (b) of document IDB.8/L.36 does not in any manner or form constitute a reflection on the person or integrity of the Director-General of UNIDO".

148. It was so decided.

ADOPTION OF THE REPORT OF THE EIGHTH SESSION (IDB.8/L.34)

149. Mr. SCHRODER (Germany), Rapporteur, introducing the draft report on the work of the session (IDB.8/L.34), said that it consisted mainly of the decisions adopted. The summary records, in which the discussions would be reflected, were an integral part of the report. The draft report necessarily contained blanks, and he requested that he should be authorized to complete the report, with the cooperation of the Friends of the Rapporteur, after the session.

150. The PRESIDENT suggested that the draft report should be adopted as a whole on the understanding that the Rapporteur would be entrusted with finalizing the text, in consultation with the Friends of the Rapporteur, after the closure of the session.

151. It was so decided.

SUSPENSION OF THE SESSION

152. The PRESIDENT drew attention to document IDB.8/L.27, containing a draft decision under which the Board would decide to resume its eighth session on 23 August 1991.

153. Draft decision IDB.8/L.27 was adopted.

154. The PRESIDENT gave the floor to the Director-General for a closing statement.

155. Mr. SIAZON (Director-General) said that closing statements provided an opportunity to take stock, and that the present moment was a good one to reflect openly on the problems facing UNIDO. As he saw it, the root of the Organization's problems was the perception, right or wrong, that the Secretariat was uncooperative, unreliable and incapable of doing anything right. For those and other perceived failures, the Secretariat had been rebuked and ridiculed. Its initiatives were frequently dismissed out of hand and it was set impossible tasks with little guidance on how to perform them, or where to find the financial resources. The Secretariat's difficulties were compounded by the inclination of some Member States to involve themselves in the day-to-day management of the Secretariat. The result was a demoralized and demotivated Secretariat and an Organization on the brink of collapse. That was too high a price to pay.

156. The Secretariat had committed errors, and acknowledged them, but it had also sincerely attempted to find solutions. The Secretariat was prepared to go to any length to find technically viable, financially sound and politically

acceptable solutions. He failed to understand how personal attacks on the Director-General could advance that aim.

157. Efficient management of the Secretariat was certainly the direct responsibility of the Director-General, but it was not facilitated by the interference of some Member States in the Secretariat's daily work or by the failure of others to meet their financial obligations. He would not hesitate to assume sole responsibility for the Organization's present predicament if all Member States had fully discharged their responsibilities towards the Organization. Member States and the Secretariat had a shared responsibility towards UNIDO, and that meant working together for the benefit of the Organization and for the achievement of the common goal - the betterment of human life through industrialization.

158. On his part, the Director-General gave every assurance that he would maintain and improve the dialogue with Member States on all aspects of UNIDO's work. He would endeavour to engender a true spirit of trust and understanding with Member States which he hoped would be reciprocated. He stressed that Member States and the Secretariat could not afford to be a congress of different and hostile interests, but a deliberative assembly of one interest - the common good of their constituents. He trusted that renewed commitment and true cooperation would guide them towards their common goal.

159. The Board seemed finally to have achieved some measure of compromise and consent. That was thanks to the skilful stewardship of the President and his Bureau and the adept handling of the informal consultations by Mrs. Tallawy. Finally, he wished to pay tribute to the staff of UNIDO, who had served Member States with unflagging commitment throughout a continual series of crises.

160. The PRESIDENT said that he felt honoured and privileged to have been offered the opportunity to preside over the proceedings of the eighth session of the Board. As the Board came to the end of its work, he would like to share with it his observations on the outcome of its deliberations.

161. It was true and normal that, because of different perceptions and approaches to various problems, discussions had been difficult at times, but members had not allowed that to derail them from their common objectives. Fortunately, collective responsibility and the common search for acceptable solutions to the complex problems of economic development and industrialization had been the guiding beacons.

162. The changes taking place in the world at the present time all seemed to be concerned with reforms of all types, and those, in the end, should benefit all the peoples concerned. The Board should never lose sight of that goal.

163. The Board had deliberated on items ranging from new approaches to and problems of industrialization to the organizational and staff changes in UNIDO, and had taken decisions that were binding for all the Member States, and those would assist and give guidance to UNIDO in its future work. He would like to point out, however, that the promotion and acceleration of industrial development in the developing countries could not be realized without the wholehearted support of the international community, especially the developed countries. He was confident that the Director-General of UNIDO would be able to mobilize and marshal the forces needed to carry out the tasks laid down.

164. Without exception, all delegates in one way or another had referred to the prevailing difficulties in the international economic system. It was, therefore, obvious that an isolated approach to the problem of industrialization could not bear fruit. The solution lay in a global approach and required a climate of understanding and trust. That did not ignore the need for intensified efforts by individual countries to enhance the economic performance of their economies. Greater emphasis should also be placed on industrial cooperation among developing countries. In that regard the services of UNIDO were highly laudable, in the area of arranging meetings, workshops and seminars. The Organization had amply demonstrated its ability to interpret and deal with the complexities of international industrial cooperation.

165. It was his humble opinion, as President of the session, that the decisions reached and the views expressed in the past days reflected a commitment on the part of Member States to the objectives and endeavours of UNIDO. The Board urged the Director-General to ensure the realization of its decisions, and wished him every success in his efforts.

166. He would also like to take the opportunity to pay tribute to the dedication and outstanding commitment of all those whose selfless efforts had contributed positively towards making the eighth session of the Industrial Development Board a success. He also wished most heartily to thank the Director-General of UNIDO and his entire Secretariat, whose untiring efforts and cooperation had contributed significantly to the success of the session. His special thanks were extended to Mr. Yuri Kostenko, Mr. Manuel Constenla and Mr. R. Schröder for their cooperation and assistance, which had greatly facilitated his tasks; and to Mrs. M. Tallawy, who had taken on the task of chairing the drafting consultations, which required boundless patience, knowledge and time.

167. After a week of hard and persistent work, and the holding of many meetings which had often ended late at night, the sweetest thing he could offer and wish for members was the sweet dream, the sweet dream of freedom of thought and action, the sweet dream of the end of all discrimination imposed on humanity, the sweet dream of a permanent peace and the disappearance of the nightmare of war from the face of the earth, the sweet dream of the termination of the dominance of the oppressor over the oppressed, the sweet dream of the realization of solidarity and unity among human beings, and finally the materialization of that verse from the Koran: "You people grip fast to the rope which I have made available to you, and do not separate yourselves from one another".

168. Mr. RIOBO PIÑONEZ (Chile), speaking on behalf of the Group of 77, Mr. POPOV (Bulgaria), speaking on behalf of Group D, Mr. PLUG (Netherlands), speaking on behalf of the countries of the European Community, and Viscount VILAIN (Belgium), speaking on behalf of the Western European and

other countries, thanked the President for the manner in which he had conducted the Board's proceedings and paid tribute to all who had enabled the Board to bring its work to a successful conclusion.

169. Mr. GUO Xianzhi (China) paid tribute to the President, to the Bureau and to Mrs. Tallawy, who had made a distinguished contribution in chairing the Drafting Committee. He thanked all the Secretariat staff for their hard work.

170. The staff of UNIDO had no reason to feel demoralized. They had an important mandate, and UNIDO was a young organization with a bright future ahead.

171. The PRESIDENT declared the session suspended.

The meeting rose at 1.35 a.m. on Saturday, 6 July 1991.

Distr.
GENERAL

IDB.8/SR.11
9 September 1991

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Resumed eighth session

SUMMARY RECORD OF THE 11th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 23 August 1991, at 7 p.m.

President: Mr. TOFIGH (Islamic Republic of Iran)

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The meeting was called to order at 7.25 p.m.

OPENING OF THE RESUMED EIGHTH SESSION

1. The PRESIDENT declared open the resumed eighth session of the Industrial Development Board.

2. Mr. SIAZON (Director-General), speaking on the two items on the agenda of the resumed session, began by commending the spirit of commitment that had prevailed at the tenth meeting of the Conference of African Ministers of Industry at Dakar. Forty-seven of the 51 countries in the region had submitted national programmes, an impressive display of solidarity and commitment, and the result had been the adoption of the Dakar Declaration on Industrialization and Economic Integration in Africa.

3. The region's enormous potential and wealth of human and natural resources were incomparable assets in a struggle for development in which industry was a vital component. An appropriate framework for ensuring the effective contribution of industry to the future well-being of the region was the programme for the Second Industrial Development Decade for Africa (IDDA) which the Ministers had urged the General Conference of UNIDO to endorse.

4. Turning to agenda item 11 (e), the second item before the resumed session, he stressed the urgent need for the adoption of the budget. He also wished to report that the Project Liaison Committee had finally reached consensus on the computerization programme. Along with other changes introduced into the revised budget in accordance with the views expressed by Member States, he hoped that that would enable the Board to recommend to the General Conference approval of the programme and budget for the biennium 1992-1993.

5. He wished further to stress that the budget should be treated as an inseparable whole, and that the contribution of Australia should be used to support the substantive activities and programmes of UNIDO.

6. By adopting the programme and budgets without further delay, the Board could revitalize UNIDO and restore the morale of its staff. It could thus help to enhance the effectiveness of the Organization in improving the lives of people in developing countries through industrialization.

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Distr.: 16 September 1991

RENEWAL OF MEMBERSHIP OF AUSTRALIA

7. The PRESIDENT drew the Board's attention to the letter of the Acting Permanent Representative of Australia to the United Nations, Vienna, dated 21 August 1991, reproduced in document IDB.8/51, annex I. In view of the information contained therein, and as the matter was of direct concern to the items to be considered, he proposed to the Board that it should accept the participation of the Acting Permanent Representative of Australia in the present meeting and permit her to make a statement.

8. It was so decided.

9. Mrs. SCHICK (Acting Permanent Representative of Australia to the United Nations) said that her Government, subject to Australia's constitutional requirements, intended to resume its membership of UNIDO from 1 January 1992. Accordingly, her country's assessed contribution would be deposited with UNIDO in a timely manner. The decision to resume membership had been taken with due regard to Australia's multilateral commitments, and reflected changes which had taken place in UNIDO over the past four years.

10. As the major international forum for issues related to industrial development, UNIDO was a unique link between developed and developing countries for the promotion of industrial cooperation. Australia looked forward to working closely with the Member States of UNIDO and contributing its particular regional and development experience to promoting industrial development.

SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (continued) (IDB.8/1/Add.2, IDB.8/23/Add.1)

11. The PRESIDENT recalled that, at its July session, the Board had had before it a report by the Director-General (IDB.8/23) on the progress made in implementing General Conference resolution GC.3/Res.10 and Board decision IDB.7/Dec.16, both of which concerned the Second Industrial Development Decade for Africa. He drew the attention of the Board to an addendum to that report (IDB.8/23/Add.1) which provided information on results of the tenth meeting of the Conference of African Ministers of Industry that were relevant to the work of UNIDO.

12. He said that he would give the floor to Mr. Alassane Ndiaye, Minister of Industry, Commerce and Handicraft of Senegal and Chairman of the tenth meeting of the Conference of African Ministers of Industry, to introduce the meeting's recommendations.

13. Mr. NDIAYE (Senegal) said that the Conference of African Ministers of Industry, at its tenth meeting, had adopted the programme for the Second Industrial Development Decade for Africa. The programme of the Second Decade was described in document IDB.8/23/Add.1; that document required some minor clarifications which his delegation would forward to the Secretariat.

14. The Conference had noted with satisfaction that the national programmes had been prepared by the African countries themselves, taking account of their own resources. It had also recognized the responsibility of the African States for ensuring the successful implementation of the programme, and a decision had been taken to set up a working group comprising 10 members representing the various subregions of Africa.

15. The Conference of African Ministers of Industry had stressed the importance of the private sector in industrialization. The participation of that sector in national, regional and subregional programmes should be encouraged in order to take into account the constraints of structural adjustment.

16. The Dakar Declaration on Industrialization and Economic Integration in Africa adopted by the Conference expressed the political will of African countries to ensure the success of the programme for the Second Industrial Development Decade for Africa, a programme conceived by African countries for African countries. In that connection, the Conference had also appealed to the international community to increase significantly its contribution to industrialization in Africa.

17. With regard to the restructuring of UNIDO, the Conference of African Ministers of Industry took the view that, whatever the structure agreed upon, Africa should be represented in UNIDO at the highest level. The Conference favoured a structure that included at least three deputy directors-general, one of whom should be African. Given the disturbing state of African industry, greater attention must be paid to it than had been the case in the past. The restructuring of UNIDO should not result in the marginalization of Africa in the operations and programmes of the Organization.

18. UNIDO could make an important contribution to implementing the regional and subregional programmes of the Second Industrial Development Decade for Africa. He urged the Board to adopt the programme and budget for 1992-1993 without delay, because Africa in particular would suffer if there was a lack of continuity in UNIDO's operations.

19. On behalf of Senegal, he said that his Government associated itself wholeheartedly with the positions expressed by the tenth meeting of the Conference of African Ministers of Industry.

20. Mr. KRAMER (Netherlands), speaking on behalf of the 12 member States of the European Community, said that Africa, despite its potential, remained as poor as it had been 30 years earlier. Structural changes had recently taken place in the world, and developments in southern Africa might provide a better basis for development.

21. Long-term policies were needed to solve long-term problems. Necessary preconditions included not only a market economy, but also participatory government, accountability, democracy and institutional pluralism. Investment in people was essential for sustainable and equitable growth. The Second Industrial Development Decade for Africa must provide opportunities for a better and more rationalized effort.

22. A new approach to development in sub-Saharan Africa had been extensively discussed at the Maastricht Africa Conference, soon to be followed up at Kampala. Guidelines for reversing the economic and social decline in the least developed countries especially in Africa had been approved by the second United Nations Conference on the Least Developed Countries in Paris.

23. Africa must remain a priority for UNIDO's work. The first Industrial Development Decade for Africa had been disappointing both within UNIDO and in the wider United Nations system. He

welcomed the restructuring of the Co-ordination Unit, but stressed the need for specific technical cooperation in the field and the building up of local capacity for self-sustaining development. Coordination with other bodies involved in Decade activities was essential, but meetings and discussions must not be at the expense of concrete action.

24. Mr. GUO Bianzhi (China) said that his Government's contribution to the Industrial Development Decade for Africa was well known. He fully supported the programme of the Second Industrial Development Decade for Africa.

25. Mr. BAKSHI (India) associated himself with the previous speakers. His country had long had relations with Africa and had participated in many bilateral economic programmes with the African countries. He fully supported the Second Industrial Development Decade for Africa.

26. Mrs. TALLAWY (Egypt) said the Second Industrial Development Decade for Africa was particularly important for the reasons expressed by the Chairman of the tenth meeting of the Conference of African Ministers of Industry. Africa contained the greatest number of countries in the least developed category, and needed industrial support and assistance. She commended those countries which had already assisted Africa through UNIDO, and hoped that such support would be strengthened.

27. She urged the Secretariat to ensure that administrative costs of the Industrial Development Decade for Africa were kept to a minimum in order to make maximum use of resources for substantive activities.

28. Mr. GUTIERREZ LEYION (Chile) said his Government had noted with interest the information given on the tenth meeting of the Conference of African Ministers of Industry. His Government was committed to furthering interregional solidarity, especially among third world countries. Speaking as Chairman of the Group of 77, he said that the Group was particularly sensitive to the serious problems of development in Africa. He expressed full support for the Second Industrial Development Decade for Africa.

29. Mr. CONSTENLA (Costa Rica) said he welcomed the participation of UNIDO in the Second Industrial Development Decade for Africa. His desire was for an industrialization programme in Africa which preserved the environment, provided work for its people and took account of their capacities.

30. Mr. SPROW (United States of America) agreed that the industrial development of Africa should remain a top priority of UNIDO and offered overall support for the Second IDDA. He agreed with many of the points raised by the Minister of Industry of Senegal in his statement and with some of the points in the Board documents: an increased emphasis on the private sector, greater African economic integration and more reliance on Africans to implement and follow up projects. He could not, however, support all the elements contained in the documents before the Board. Moreover, the basic document (IDB.8/23/Add.1) and other relevant texts had been received only very recently and the United States had not had adequate time to review them. Other documents were not yet available. Nor was there sufficient time during the current meeting to discuss the Second IDDA meaningfully. His delegation suggested that some mechanism should be set up to permit a further discussion and exchange of views on IDDA before the General Conference.

31. The PRESIDENT said that the subject of Africa could be discussed further during the contact group meetings scheduled for October to prepare for the General Conference.

32. Mr. TIMERBAEV (Union of Soviet Socialist Republics) said his Government had always attached great importance to the Industrial Development Decade for Africa. Conscious of its significance within the programmes of UNIDO, his Government had in the past made a major contribution based on communist principles. His Government now hoped to provide real and practical help to the countries of Africa based on the principles of the market.

33. He noted with appreciation the results of the Conference of African Ministers of Industry, which confirmed the significance of UNIDO for the countries of Africa. In that light it was particularly vital to solve the organizational and financial problems which distracted attention from substantive matters. He wished to reaffirm his Government's fullest support for the programme for the Decade.

34. Mrs. KINALWA (Uganda) said she fully supported the recommendations concerning the Second Industrial Development Decade for Africa, which benefited from the lessons of the past. The Decade programme should be a top priority for UNIDO, particularly in relation to the least developed countries. She called upon the Organization to allocate sufficient resources and appealed to the international community and financial institutions for support. She expressed her gratitude to the Economic Commission for Africa (ECA), the Organization of African Unity (OAU) and UNIDO for their support for the Second Industrial Development Decade for Africa. Her delegation supported the draft decision on the Second Industrial Development Decade for Africa the text of which had been circulated informally.

35. Mr. AHMEDI (Islamic Republic of Iran) said that his delegation supported any decision that would help Africa and appealed to all countries to contribute to industrial development activities in Africa.

36. Mr. SIAZON (Director-General) said in reply to comments made that the development of Africa was a top priority for UNIDO and for him personally. It was true that paragraph 92 of document IDB.8/8/Rev.2 showed negative growth for the regular programme of technical cooperation - IDDA. Whenever there was negative real growth in the regular budget of UNIDO, the 6 per cent for the regular programme of technical cooperation also decreased. However, although, on page 210 of document IDB.8/8/Rev.1, the figure for the regular programme of technical cooperation was the same for 1992-1993 as for 1990-1991, he wished to make it clear that the 1992-1993 figure was shown at 1991 rates, and that, when the rates were adjusted, especially with the inclusion of Australia, the amount would be about $10,801,500. He would also stress that, since so many of the least developed countries were in Africa, and since the regular programme of technical assistance was mainly used for IDDA and the least developed countries, an increase in that programme would mainly benefit Africa.

37. Mrs. IALLAWY (Egypt) said that she hoped that activities in connection with the Second Industrial Development Decade for Africa would be concentrated on concrete action.

38. The PRESIDENT invited the Board to consider the draft decision entitled "Second Industrial Development Decade for Africa" that had been circulated to delegations as an informal paper.

39. The draft decision was adopted.*

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (continued):

(e) PROGRAMME AND BUDGETS, 1992-1993 (continued) (IDB.8/8/Rev.1 and Rev.2, IDB.8/50 and Add.1 and 2, IDB.8/51; IDB.8/L.43; PBC.7/CRP.13/Add.2, PBC.7/CRP.15, PBC.7/CRP.16)

40. The PRESIDENT recalled that, under paragraphs 1 and 3 of Article 14 of the Constitution, the Director-General was to prepare and submit to the Board through the Programme and Budget Committee a draft programme of work for the following fiscal period, together with the corresponding estimates for those activities to be financed from the regular budget. The Board was to examine the Director-General's proposals together with any recommendations of the Committee and adopt the programme of work, the regular budget and the operational budget, with any changes it felt necessary, for submission to the General Conference. In addition to the documents prepared by the Secretariat in compliance with Board decisions IDB.8/Dec.22 and IDB.8/Dec.35, the Board had before it for consideration two draft decisions recommended by the Programme and Budget Committee at its resumed session just held, as reflected in document IDB.8/L.43 and in annex II to document IDB.8/51.

41. Mr. BAKSHI (India) said he would like to congratulate the Director-General on the yearly increase in technical cooperation delivery. He had been concerned, however, that the estimates shown in table 1 (c) of document IDB.8/8/Rev.1 seemed to be on the high side for 1992-1993. More details were also needed regarding resource distribution by medium-term plan priority areas, with disaggregation as between the regular and operational budgets as well as objects of expenditure. Those concerns were not fully answered in document IDB.8/8/Rev.2. Comparisons with the previous biennium would also have been desirable; such figures could, if necessary, be presented in a separate document.

42. He was happy to note an increase in resources for industrial cooperation and funds mobilization but regretted the reduction in the budget for the System of Consultations.

43. There had been a marginal increase for the Special Programme for the Industrial Development of Asia and the Pacific, but the emphasis was on the least developed countries. It was necessary to think of increasing funding from the regular budget for countries other than the least developed countries in areas emphasized by the General Conference at its third session. He noted that in document IDB.8/8/Rev.2 the figures for regional programmes and economic cooperation among developing countries had been increased, mostly in the operational budget. India was known to be one of the larger contributors to the Industrial Development Fund and was certainly one of the largest contributors to its general-purpose component.

44. He welcomed UNIDO's achievements in the field of new technology. A whole series of programmes required special attention, in his delegation's view, and a beginning should be made with focusing on important mandatory tasks of UNIDO, which would require efficiency at all levels and constant interaction with Member States.

45. He urged that the Board fully accept the recommendations that the Programme and Budget Committee had drafted, after a thorough discussion, taking into account the views of various geographical groups.

46. Mr. GUTIERREZ LEYTON (Chile) said he hoped that a lengthy process that had diverted attention from the real purpose of UNIDO was coming to an end. He welcomed the exchange of views that had taken place in the Programme and Budget Committee, and his delegation had cooperated in seeking a consensus. Though he hoped there would be no vote on the question, his delegation was prepared to vote, if necessary.

47. In a positive spirit, he drew attention to certain concerns of his delegation with regard to the electronic data-processing (EDP) project. The necessary information had not been provided in good time and there had been many last-minute changes. His delegation doubted whether the principle of zero growth had been duly guaranteed and he noted that there were still some unclear points regarding legal aspects in connection with the validity of the contract and regarding which portion of the contract was being negotiated and on what basis. He would also like to know what funds had been earmarked, and how much was to be paid and over what periods.

48. Mr. GUO Xianzhi (China) said that he had been gratified to see the spirit of cooperation and consensus shown in the Programme and Budget Committee, which had arrived at a conclusion after long debate. He hoped that the draft decision recommended by the Programme and Budget Committee (IDB.8/L.43) would be adopted by the Board in the same spirit.

49. Mr. ANGUIANO ROCH (Mexico) regretted that he could not support the text of the draft decision. However, he could join a consensus if a decision on the separation of costs of the EDP project were postponed to the General Conference. He had doubts regarding the cogency of the explanations and clarifications given by the Director-General and the Deputy Director-General for Administration concerning separation of the budget items and the presentation of a supplementary budget. If his country were to agree to the budget as recommended by the Programme and Budget Committee, it would give validity to a series of anomalies for which the Director-General was responsible. He did not understand why the Member States should pay for such a mistake. His delegation had the highest esteem for the UNIDO staff but, wishing to enhance UNIDO, it could not accept a procedure that would create a serious precedent.

* For the text adopted, see the report of the resumed session.

50. Mrs. TALLAWY (Egypt) welcomed the return of Australia to UNIDO.

51. Her delegation was in favour of adopting a budget for UNIDO, on certain premises. It was important not to decrease appropriations for projects, and clarity and transparency in the budget preparation should be enhanced, as her delegation had requested since 1987, without effect. Her delegation had opposed the holding of the resumed Board session on 23 August because that date allowed very little room for manoeuvre and for negotiations between the Secretariat and delegations, and the Secretariat and the supplier company. Documents had been provided so late that the capitals had not been able to peruse them.

52. It was important to distinguish between two sets of items in the budget, those relating to the computer project and those relating to other matters. In the case of the First Industrial Development Decade for Africa, the budget had been used to pay staff expenses and she feared that the budget for the Second Industrial Development Decade for Africa would be used to buy the IBM computer. The Secretariat had often ignored decisions of the Board and she did not recall any authorization by the Board for the expenditure of $20 million on the computer.

53. She would therefore put forward three alternative proposals for amending the text of the draft decision (IDB.8/L.43). Her first proposal would be for the second part of paragraph (e), beginning with the words "and takes note of", to be deleted, so that there would be no reference to the biennium 1994-1995 in paragraph (e). The second alternative proposal would be to keep the present text of paragraph (e) and add wording at the end indicating that the figure of $13,805,200 for 1994-1995 should come from voluntary contributions. The third alternative would be to retain paragraph (e) as it stood but to place it within square brackets with a footnote explaining that the matter was subject to further negotiation prior to the General Conference.

54. Mr. PAREJA CUCALON (Observer for Ecuador) said that his delegation had for some time shared the concerns expressed by the Latin American Group and continued to share them. However, what was now needed, taking into account the corrections that had been requested of the Secretariat and the comments made, was to give full assistance to the Organization so that it could work efficiently in accordance with the Constitution. He appealed to the Board to adopt the budget.

55. Mr. KOSTENKO (Ukrainian Soviet Socialist Republic) noted that a great amount of work had been done by the Secretariat and by Member States in recent days in an effort to find a way out of a very difficult situation. He supported the appeal for the adoption of the draft decision by consensus, notwithstanding the divergent views and the substantive reservations expressed.

56. Mr. VETTOVAGLIA (Switzerland) thought that further discussion would not be fruitful. He proposed that the President should first ask the Board whether it was or was not in a position to adopt the text in document IDB.8/L.43.

57. The PRESIDENT said that several speakers were still on his list; he suggested that their views should be heard first.

58. Mr. ANGUIANO ROCH (Mexico) suggested that the draft decision should be adopted with the changes proposed by Egypt, by acclamation.

59. Mr. BELLO (Philippines) said that, in the light of the information in the documents before the Board, it would be unfair to lay the entire blame for the difficulty related to the computer installation on the Director-General. He hoped that the text in document IDB.8/L.43 would be adopted by consensus; if that was not possible, the course proposed by the representative of Switzerland should be followed.

60. Mr. DJATMIKO (Indonesia) said that he supported the draft decision recommended by the Programme and Budget Committee and hoped that it would be adopted by consensus. He also supported all programmes for the Second IDDA, which should have top priority in UNIDO's activities. He welcomed the return of Australia to UNIDO.

61. Mr. PAREDES PORTELLA (Peru) welcomed the return of Australia to UNIDO. His delegation could join in a consensus on the adoption of the draft decision. The Secretariat should give clarifications where required and take corrective action in accordance with the guidelines for the financing and utilization of the EDP installation.

62. In reply to a question from the PRESIDENT, Mr. ANGUIANO ROCH (Mexico) said that he could accept any of the three alternative amendments proposed by the representative of Egypt.

63. The PRESIDENT asked whether there was any objection to the first of the three alternative proposals put forward by the representative of Egypt.

64. Some members indicated disagreement with the proposal.

65. The PRESIDENT asked if there was any objection to the second of the alternative proposals put forward by the representative of Egypt.

66. Some members indicated disagreement with the proposal.

67. The PRESIDENT asked whether there was any objection to the third of the alternative proposals put forward by the representative of Egypt.

68. Some members indicated disagreement with the proposal.

69. In reply to a question from the PRESIDENT, Mrs. TALLAWY (Egypt) said that she regretted that she could not go along with a consensus on document IDB.8/L.43 as it stood. She requested a roll-call vote on her second proposal.

70. Mr. PELEN (France) said he thought that the third alternative proposed by Egypt really corresponded to what would in fact happen, since discussions on the matter could and would continue up to and during the General Conference session. In that light, perhaps the representative of Egypt could accept the existing text.

71. Mr. GUTIERREZ LEYTON (Chile) expressed the hope that members would bear in mind that if they rejected all the alternative proposals put forward by the representative of Egypt they would be forcing a vote.

72. Mr. ANGUIANO ROCH (Mexico) thought that the point made by the representative of France could equally be used as an argument in favour of the third Egyptian proposal, since delegations that could accept the present text should equally be able to accept the latter proposal.

73. Mr. IALIANI (Italy) supported the position taken by the representative of France and thought that the position of those wishing to place paragraph (e) in square brackets could better be taken care of by a statement of their views in the Board's report.

74. Mrs. IALLAWY (Egypt) said that it was unreasonable to ask the developing countries to agree in effect to the expenditure of a further $13,805,200 on the EDP programme in the biennium 1994-1995. She wished again to request a roll-call vote on her second proposal.

75. In reply to a question on procedure raised by Mr. PELEN (France), the PRESIDENT said that amendments to a proposed text must be put to the vote before the text itself.

76. Viscount VILAIN (Belgium) thought that if consensus was to be reached on one of the three Egyptian proposals, the first proposal seemed to offer the best chance.

77. Mr. ARIAS SALGADO (Spain) suggested that the meeting should be suspended to allow a consensus formula to be found.

78. Mr. GUO Xiangzhi (China) suggested that, after the words "at its fourth session," paragraph (e) should be amended to read "also on the understanding that the figure of $26,128,000 in 1991 dollars is the maximum and that no further funding will be made available for this programme".

79. Mr. GUTIERREZ LEYTON (Chile) moved the suspension of the meeting under rule 41 of the rules of procedure.

The meeting was suspended at 9.35 p.m. and resumed at 10 p.m.

80. Viscount VILAIN (Belgium) proposed an amendment to the text of paragraph (e) of draft decision IDB.8/L.43 replacing the second part, following the words "at its fourth session," by the words "including the proposed maximum figure and appropriate source of financing of the EDP programme for the 1994-1995 biennium".

81. Mr. SPROW (United States of America) requested clarification of the maximum figure to which the amendment referred.

82. Viscount VILAIN (Belgium) said that the maximum figure was the amount of $13,805,200 in 1991 dollars for the 1994-1995 biennium contained in the draft decision proposed by the Programme and Budget Committee. The amount could be explicitly included.

83. Mr. PELEN (France) thought that it should be made clear that the Board was proposing consideration by the General Conference of the amount for 1994-1995 rather than accepting it.

84. Mr. TSCHOULKOV (Union of Soviet Socialist Republics) wondered how, in the proposed amendment, the proposed maximum and the appropriate source of financing related to the first part of paragraph (e).

85. Mr. IALIANI (Italy) said he preferred the existing text of document IDB.8/L.43, but could accept the amendment proposed by the representative of Belgium. The reference to appropriate sources of financing left the question open for discussion by those delegations (not his own) which were in favour of seeking alternatives to the regular budget.

86. Viscount VILAIN (Belgium) said that the purpose of the reference to appropriate sources of financing was indeed to allow some delegations, notably that of Egypt, to raise the question of alternative sources of financing at the General Conference. It was quite proper for the General Conference, at its coming session, to consider and express its wishes in respect of the 1994-1995 biennium.

87. Mr. ARIAS SALGADO (Spain) said that the amendment proposed by the representative of Belgium had the merit of maintaining the substance of the original text while adding the option of considering appropriate sources of financing. It therefore offered the basis for a consensus.

88. Mrs. IALLAWY (Egypt) said that the rules of procedure had not been followed in the treatment of the amendments proposed by her.

89. She suggested that the amendment proposed by the representative of Belgium should be further amended to make it clear that the Board accepted only the proposed expenditure for the 1992-1993 biennium on the stated understandings. That could be achieved by placing a full stop after "at its fourth session". That would be followed by a new sentence beginning: "This consideration will include the proposed maximum figure ...".

90. Mr. PAREDES PORTELLA (Peru) suggested that the intention of the paragraph could be clarified by placing the words "in all its aspects" after the words "at its fourth session".

91. Mr. PELEN (France) said it was important to retain the provision in paragraph (e) that no further funding would be made available for the EDP programme.

92. Mr. CLARK (United Kingdom) felt that the proposed amendments affected the balance achieved in the Programme and Budget Committee. He therefore preferred the existing text.

93. Mrs. IALLAWY (Egypt) said that acceptance of the existing paragraph (e) implied acceptance of the total expenditure, even though it was nominally a ceiling. She would have preferred to have left such a decision to the General Conference, thus strengthening the hand of the Secretariat in negotiating further cost reductions with suppliers in the meantime.

94. Mr. PELEN (France) proposed that paragraph (e) of the draft decision recommended by the Programme and Budget Committee (IDB.8/L.43) should be amended to read as follows:

"Accepts the proposed expenditure on the EDP programme for the 1992-1993 biennium of $12,322,800 in 1991 dollars as indicated in document IDB.8/50/Add.1 on the understanding that it will be considered by the General Conference at its fourth session in all its aspects. This consideration will include the proposed maximum figure for expenditure for the EDP programme for the 1994-1995 biennium

of $13,805,200 in 1991 dollars as indicated in document IDB.8/50/Add.1 and appropriate sources of financing, with no further funding being made available for this programme."

95. The amendment proposed by the representative of France was adopted.

96. Mr. VETTOVAGLIA (Switzerland) and Mr. PELEN (France) said that certain drafting changes should be made in the French version of draft decision IDB.8/L.43 to bring it in line with the English version.

97. Draft decision IDB.8/L.43, as amended, was adopted.

98. Mr. RIOBO PIÑONEZ (Chile) said that he wished to make an explanatory statement of position under rule 53, paragraph 3, of the rules of procedure. His country wished to enter an express reservation concerning the decision just adopted, to the effect that any commitments and obligations which had been contracted without authorization or went beyond the provisions of the Constitution and/or the Financial Rules of UNIDO did not bind Chile financially or in any other way.

99. Mr. ASHRI (Saudi Arabia) said that he noted the increased assessed contribution for his country for the biennium 1992-1993. He wished to enter a reservation concerning that increase, since his delegation had on many occasions indicated that it would not accept an increase in its assessed contribution to the regular budget. The competent authorities in his country would be giving serious consideration to the matter.

100. Mr. FARAHAT (Egypt) said that his delegation had adopted the most flexible position possible in order to enable the Board to reach agreement. However, his delegation's reservations on the EDP programme, which had been stated very clearly, still stood. The size of the EDP programme needed to be discussed fully at the General Conference.

101. The PRESIDENT said he would now invite the Board to consider the draft decision recommended by the Programme and Budget Committee concerning the changes to the programme and budgets, 1992-1993, which would result from the renewal by Australia of its membership of UNIDO. That draft decision was contained in document IDB.8/51, annex II.

102. The draft decision in document IDB.8/51, annex II, was adopted.

REPORT OF THE RESUMED EIGHTH SESSION

103. The PRESIDENT proposed that the report of the resumed eighth session of the Board should be prepared by the Rapporteur, in consultation with the Friends of the Rapporteur, for submission to the General Conference as an addendum to the report of the eighth session of the Board contained in document GC.4/4.

104. It was so decided.

CLOSURE OF THE SESSION

105. The PRESIDENT declared closed the resumed eighth session of the Board.

The meeting rose at 10.45 p.m.